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# NATIONAL ECONOMY:

A

# HISTORY

OF THE

# AMERICAN PROTECTIVE SYSTEM,

AND

ITS EFFECTS UPON THE SEVERAL BRANCHES

OF

# DOMESTIC INDUSTRY.

BY ANDREW W. YOUNG,
Author of "Science of Government," "The American Statesman," etc., etc.

NEW-YORK:
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TO THE

# Young Men of the United States,

UPON WHOM WILL SOON DEVOLVE THE ADMINISTRATION OF THE GOVERNMENT OF THIS GREAT AND GROWING REPUBLIC, AND UPON WHOSE INTELLIGENCE AND PATRIOTIC VIRTUE ITS FUTURE PROSPERITY ESSENTIALLY DEPENDS,

THIS VOLUME

IS RESPECTFULLY INSCRIBED.

# PREFACE.

THE subject of the following pages involves the interests of every American citizen. In a government of universal suffrage, every elector is in a measure responsible for its right administration. The theory of our government is, that every measure of public policy is the act of the people. It presumes that the representative acts in accordance with the known wishes and interests of his constituents, and that they have a sufficient knowledge of public affairs to direct him in the discharge of his duties.

Upon no question in political economy is unanimity of sentiment more important than upon that which is discussed in this work; yet there is perhaps none upon which opinions more discordant and conflicting have prevailed. The decision of no other, probably, more materially affects the public interest; yet tariffs have been made and unmade by the representatives of electors, a majority of whom had never bestowed any considerable attention upon the question determined by their suffrages.

Since the adoption of the existing policy, in 1846, there has been no general discussion of the protective system. A large portion of those who have since that time become invested with political power, are incapable of acting intelligently in the settlement of this great question. Yet there are strong indications that it will soon, in some form, be again submitted to the people.

In his last two annual messages to Congress, the President has recommended a revision of the tariff with a view to an increase of duties. In compliance with these recommenda-

tions, the House of Representatives, at its late session, passed a bill for that purpose; but it was not concurred in by the Senate. The insufficiency of the revenue, under the present low tariff, to meet the demands of the Treasury; the languishing condition of several of the more important branches of domestic industry, from the want of adequate encouragement; and the belief that the financial crisis of 1857, from the effects of which the country has not yet fully recovered, was the natural result of a departure from the protective policy; render it probable that a new attempt will soon be made for its restoration. It will hardly be alleged that the mass of the people are duly prepared to meet the question.

To assist in leading to correct conclusions any who may desire to investigate the subject, is the design of this volume. The object is *not*, however, to encourage the incorporation of the doctrine of protection into the platform of any political party. A correct decision, it is believed, is more likely to be attained when the public mind is uninfluenced by considerations of party advantage. If, in determining this or any other question, the people shall be guided by an enlightened and impartial judgment, no bad results need be apprehended. Should they chance to err in their decision, their intelligence would enable them at once to discover the error and to apply the true remedy.

This work prescribes no new course of legislation on this subject. It recommends no departure from the landmarks established by the founders of the government. It asserts no principle which has not received the sanction of Washington, Hamilton, Jefferson, Madison, Monroe, Adams, and Jackson, and their most distinguished cotemporaries. A laborious examination of this subject for many years, has the more fully confirmed the author's faith in the doctrines of the political fathers. A theory fundamentally correct, is unaffected by the lapse of time. A policy which has stood the test of successful experiment, it is unwise to abandon for an untried and a doubtful one—much more so, for one that has proved itself radically defective.

There has been no change in the condition or policy of other commercial nations which seems to justify the great changes which have been made in our own. Changes have been made in some of them; but they consist in the adoption of the industrial system recommended by our early statesmen, and furnish additional evidence of its utility.

This work is not an Essay, or a Treatise, consisting mainly of the author's individual opinions and reasonings. It is, as its title declares, a *History*. It begins with the colonial policy of Great Britain which led to the separation of the colonies from the parent country, and ultimately to the establishing of a national government with power to protect the people against the restrictive measures which secured to that country a monopoly of trade. It gives a faithful record of the action of our Government on this subject, from time to time, since its organization. The views of our own statesmen, as expressed in executive messages, official reports, and legislative debates, will, it is believed, be more acceptable to the mass of readers, than a disquisition on the subject of protection by the ablest writer. The opinions of those men have been formed, not alone from what appeared theoretically correct, but also from the practical effects of the system. This entitles them to greater regard than is due to the speculations of any ordinary writer on this branch of political economy.

To the conviction that a work of this kind is needed, this compilation owes its existence. If it shall serve to awaken any considerable portion of the American people to a deeper interest in matters of public concern, and to aid them in the discharge of their political duties, it will have accomplished its mission.

*August*, 1860.

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THE

# PROTECTIVE SYSTEM

## CHAPTER I.

**Early restrictive commercial policy of Great Britain. Petitions to the first Congress for relief. First tariff act. Historical remarks.**

In order to a proper understanding of the tariff question, it is necessary to recur to the early restrictive policy of Great Britain. The protective policy of this country had its origin in the early attempts of that Power to monopolize the trade of her American colonies.

While the Dutch were getting possession of a large part of the carrying trade of the world, and pursuing a profitable commerce with some of the British colonial possessions, the memorable Navigation Act was passed by the Commons in 1651, under the protectorate of Oliver Cromwell. By this act it was ordained, that no merchandise should be imported into his Majesty's plantations, or exported from them, but in vessels built in England or its plantations; and that no sugar, tobacco, ginger, cotton, indigo, or other articles enumerated, should be exported from the colonies to any other country than such as belonged to the crown of Great Britain. Soon after the restoration of Charles II, this law was re-enacted, (1663,) with additional restrictions. Not satisfied with the monopoly of the *export* trade of the colonies, Parliament, determined to effect a similar restriction of the *import* trade, enacted, that "no commodity of the growth or manufacture of Europe, shall be imported into any of the King's plantations in Asia, Africa, or America, but what shall have been shipped in England, Wales, or the town of Berwick, and in English built shipping, whereof the master and three-

fourths of the mariners are English, and carried directly thence to the said plantations;" excepting salt from any part of Europe for the American fisheries, wines from Madeira and the Azores, and provisions from Scotland, for the plantations. The objects of this selfish policy were declared in the preamble of this act to be, "the keeping of his Majesty's subjects in the plantations in a firmer dependence;" "the increase of English shipping;" and "the vent of English woolens and other manufactures and commodities."

This was considered by Sir William Blackstone "the most beneficial for the trade and commerce of these kingdoms, and, as he says, was designed "to mortify our [the British] sugar islands which were disaffected to the Parliament [under Cromwell,] and still held out for Charles II, by stopping the gainful trade, which they carried on with the Dutch, and at the same time to clip the wings of these our opulent and aspiring neighbors." Although aimed particularly at the West Indies, this law of course extended its provisions to all other British colonies, and among them to those established on the American coast.

The colonists were for a time permitted to export the enumerated commodities from one plantation to another, without duty. But even this privilege was not long enjoyed. In 1672, duties were imposed upon sugars, tobacco, indigo, wool, cotton, &c., transported from one colony to another.

To keep down the enterprise and industry of the country, the House of Commons, in 1731, called upon the Board of Trade and Plantations to make a report "with respect to any laws made, manufactures set up, or trade carried on in the colonies, detrimental to the trade, navigation, and manufactures of Great Britain." The manufactures most injurious to the trade and manufactures of the parent country, were those of wool, flax, iron, paper, hats, and leather. Hats, it appeared, had been made in considerable quantities, and even exported to foreign countries. An act was therefore passed in 1732, forbidding hats or felts to be exported from the colonies, or even "to be loaded on a horse, cart, or other carriage, for transportation from one plantation to another." And in 1750, a law was passed which prohibited "the erection or continuance of any mill or other engine for slitting or rolling iron, or any plating forge to work with a tilt hammer, or any furnace for making steel, in the colonies, under penalty of £200." Every such mill, engine, forge, or furnace, was declared to be a *common nuisance*, which the governors of

the provinces, on information, were bound to abate, under the penalty of £500, within thirty days.

This policy, with some modifications, was continued by Great Britain until the revolution, when regular commercial intercourse between the two countries was interrupted. And amidst the cruisers of the enemy, few of the manufactures of other countries could be brought across the ocean, and these only at high prices. Our people being dependent upon their own resources for supplies, a fresh impulse was given to home manufactures.

The peace of 1783, brought with it the former difficulties, to a considerable extent. The influx of foreign goods was disastrous to the mechanical and manufacturing industry of the country. Although the States were politically independent, it was impossible to countervail the policy of other nations. Each State having, under the Confederation, the right to regulate its own trade, it imposed upon foreign productions, as well as those of its sister States, such duties as its own interests seemed to dictate. The States attempted, by their separate navigation laws, to secure their trade to their own vessels; and the selfish policy of some States counteracted the efforts of others. As the Congress had no power to lay duties or regulate trade, and as the States could not agree upon a uniform rate of duties, foreign nations passed such laws as they judged most likely to destroy our commerce and extend their own.

Especially was this the policy of Great Britain. Our trade with her West India colonies was prohibited; and by the enforcement of her navigation acts, our navigation was nearly destroyed. Foreign vessels and goods being freely admitted into the States, while ours were burthened with heavy duties in foreign ports, both the prices of goods imported and the prices of our exports, were subject to the will of foreigners; and the money of our citizens was rapidly passing into the pockets of British manufacturers and merchants. In describing the state of the country at that time, a distinguished American statesman thus remarks:

"In the comparative condition of the United States and Great Britain, not a hatter, a boot or shoe maker, a saddler, or a brass founder, could carry on his business, except in the coarsest and most ordinary productions of their various trades, under the pressure of foreign competition. Thus was presented the extraordinary and calamitous spectacle of a successful revolution, wholly failing of its ultimate object.

The people of America had gone to war, not for names, but for things. It was not merely to change a government administered by kings, princes, and ministers, for a government administered by presidents, and secretaries, and members of Congress. It was to redress their own grievances, to improve their own condition, to throw off the burden which the colonial system laid on their industry. To attain these objects, they endured incredible hardships, and bore and suffered almost beyond the measure of humanity. And when their independence was attained, they found it was a piece of parchment. The arm which had struck for it in the field, was palsied in the work shop ; the industry which had been *burdened* in the colonies, was crushed in the free States ; and, at the close of the Revolution, the mechanics and manufacturers of the country found themselves, in the bitterness of their hearts, independent—and ruined."

To remedy this deplorable state of things, efforts were made to effect an alteration of the articles of Confederation, so as to confer upon Congress the power of regulating the trade of the States with foreign nations and with each other, but without success. A meeting was then proposed, to consist of commissioners or delegates from the several States, to devise and to agree upon a uniform system of regulations, and to report to the States an act which, when ratified by them, would enable Congress to provide for this object. The meeting was held in September, 1786. But as only five States—New York, New Jersey, Pennsylvania, Delaware, and Virginia—were represented in the meeting, the commissioners thought it unadvisable to proceed to the business for which they had been appointed ; but they recommended to the Congress and the States a convention to be held in Philadelphia on the second Monday of May next, [1787,] not only to give Congress the power to regulate commerce, but to remedy other acknowledged defects of the Confederation. This recommendation was carried into effect. The convention was held, and the present Constitution was formed, in which this power, with many other necessary powers, was conferred upon Congress.

To the Constitution all classes of the people now looked for relief. Its adoption was therefore awaited with deep solicitude. Means of partial relief had been found in a plan of voluntary associations, and an appeal to the patriotism of their fellow-citizens. Such an association was formed in Boston in 1787 or 1788, and a circular letter was addressed

by them to their brethren throughout the Union. The following letter from the "Tradesmen and Manufacturers of New York," in reply to this circular, expresses the feelings and hopes with which the laboring classes of the country, particularly the manufacturers and mechanics, looked forward to the adoption of the Constitution:

"Letter from the Tradesmen and Manufacturers of New York to the Tradesmen and Manufacturers of Boston.

NEW YORK, 17th Nov., 1788.

"GENTLEMEN:—The mechanics and manufacturers of the city of New York have long contemplated and lamented the evils which a pernicious system of commerce has introduced into this country, and the obstacles with which it has opposed the extension and improvement of American manufactures; and having taken into consideration your circular letter, wherein those evils and their remedies are pointed out, in a just and striking manner, have authorized us to communicate to you, in answer to your address, their sentiments on the interesting subject.

"It is with the highest pleasure that we embrace this opportunity to express to you their approbation of the liberal and patriotic attempt of the tradesmen and manufacturers of your respectable town.

"Every zealous and enlightened friend to the prosperity of this country must view, with peculiar regret, the impediments with which foreign importations have embarrassed the infant arts in America. We are sensible that they are not only highly unfavorable to every mechanical improvement, but that they nourish a spirit of dependence, which tends in some degree to defeat the purposes of our late revolution, and tarnish the luster of our character. We are sensible that long habit has fixed, in the minds of the people, an unjust predilection for foreign productions, and has rendered them too regardless of the arguments and complaints with which the patriotic and discerning have addressed them from every quarter. These prejudices have become confirmed and radical; and we are convinced that a strong and united effort is necessary to expel them. We are happy that the tradesmen of Boston have led the way to a general and efficient exertion in this important cause.

"The impression we feel of the utility and expediency of encouraging our domestic manufactures, is in perfect correspondence with your own; and we shall most cheerfully unite our endeavors with those of our brethren throughout the Union; and shall be ready to adopt every measure which will have a tendency to facilitate the great design.

"The legislature of our State, convinced of the propriety of cherishing our manufactures in their early growth, have made some provisions for that purpose. We have no doubt that more comprehensive measures will in time be taken by them. But on the confederated exertions of our brethren, and especially on the patronage of the Federal Government, we rest our most flattering hopes of success.

"In order to support and improve the union and harmony of the American manufacturers, and to render as systematic and uniform as possible their designs for the common benefit, we perfectly concur with

you in the propriety of establishing a reciprocal and unreserved communication. When our views, like our interests, are combined and concentrated, our petitions to the Federal Legislature will assume the tone and complexion of the public wishes, and will have a proportionable weight and influence.

"We request you to favor us with the continuation of your correspondence, and to transmit to us, from time to time, such resolutions and proposals of your association as may be calculated for the promotion of our mutual interests.

"We are, with the highest respect, &c."

As the Constitution was successively adopted in each State, public rejoicings took place in many of the towns and cities of the States, both North and South. Upon the banners of the manufacturers in Philadelphia, was inscribed the motto: "May the Union Government protect the Manufacturers of America!"

A quorum of the House of Representatives under the new Constitution was formed, for the first time, on the 1st of April, 1789. Within one week from that day, Mr. Madison brought forward the subject of the revenue system, as the most important which required the attention of Congress. Three days after the discussion commenced, a petition was presented from "the Tradesmen, Mechanics, and others of the Town of Baltimore," in which they say:

"The happy period having now arrived when the United States are placed in a new situation, and the adoption of the General Government gives one sovereign Legislature the sole and exclusive power of laying duties upon imports, your petitioners rejoice at the prospect this affords them; and America, freed from the commercial shackles which have so long bound her, will see and pursue her true interest, becoming independent in fact as well as in name. And they confidently hope that the encouragement and protection of American manufactures will claim the earliest attention of the supreme Legislature of the nation; as it is a universally acknowledged truth, that the United States contain, within their limits, resources amply sufficient to enable them to become a great manufacturing country, and only want the patronage and support of a wise, energetic government." And the petitioners pray for an act "imposing on all foreign articles which can be made in America, such duties as will give a just and decided preference to their labors, and thereby discouraging that trade which tends so materially to injure them and impoverish their country, and which may also, in their consequences, contribute to the discharge of the national debt and to the due support of Government."

This petition was followed, the next day, by one from the shipwrights of Charleston, South Carolina, stating the distress they were in from the decline of that branch of the business, and the present situation of the United States, and praying "that the wisdom and policy of the National Legislature may be directed to such measures, in a general regulation of trade, and the establishment of a proper navigation act, as will relieve the particular distresses of the petitioners, in common with those of their fellow shipwrights throughout the Union."

In a similar memorial from citizens of New York, the petitioners say:

"Your petitioners conceive that their countrymen have been deluded by an appearance of plenty; by the profusion of foreign articles which has deluged the country; and thus have mistaken excessive importations for a flourishing trade. To this deception they impute a continuance of that immoderate prepossession in favor of foreign commodities which has been the principal cause of their distresses, and the subject of their complaint.

"Wearied by their fruitless exertions, your petitioners have long looked forward with anxiety for the establishment of a government which would check the growing evil, and extend a protecting hand to the interests of commerce and the arts. Such a government is now established. . . . . To your honorable body the mechanics and manufacturers of New York look up with confidence, convinced that, as the united voice of America has furnished you the means, so your knowledge of the common wants has given you the spirit to unbind our fetters, and rescue our country from disgrace and ruin."

A few days afterward, another petition was presented from the inhabitants of Boston, of which the following is an extract:

"Your petitioners need not inform Congress, that, on the revival of our mechanical arts and manufactures, depend the wealth and prosperity of the Northern States; nor can we forbear mentioning to your honors, that the citizens of these States conceive the object of their independence but half obtained, till those national purposes are established on a permanent and extensive basis by the legislative acts of the Federal Government. Unless these important branches are supported, we humbly conceive that our agriculture must greatly decline, as the impoverished state of our seaports will eventually lessen the demand for the produce of our lands.

"Your petitioners formerly experienced the patronage of

this State Legislature, in their act of laying duties and prohibitions on certain articles of manufacture, which encourages your petitioners to request that heavy duties may be laid upon such articles as are manufactured by our own citizens, humbly conceiving that the impost is not solely considered by Congress as an object of revenue, but, in its operation, intended to exclude such importations, and ultimately establish these several branches of manufacture among ourselves."

In pursuance of these and numerous other petitions, as well as from the wants of the Government, the first impost law was passed. This law was, excepting only the law prescribing the oaths of office, the first which was passed under the new government. In the long debate upon it, it seems to have been generally conceded that Congress were bound to lay duties that would encourage the manufacturing industry of the country, and that they possessed the constitutional power.

Mr. Madison said: "The States that are most advanced in population, and ripe for manufactures, ought to have their particular interest attended to in some degree. While these States retained the power of making regulations of trade, they had the power to protect and cherish such institutions. By adopting the present Constitution, they have thrown the exercise of this power into other hands. They must have done this with the expectation that those interests would not be neglected here." Again: "Duties laid upon imported articles may have an effect which comes within the idea of national prudence. It may happen that materials for manufactures may grow up without any encouragement for this purpose. It has been the case in some of the States. But in others, regulations have been provided, and have succeeded in producing some establishments, which ought not to be allowed to perish from the alteration which has taken place. It would be cruel to neglect them, and turn their industry to other channels; for it is not possible for the hand of man to shift from one employment to another, without being injured by the change. There may be some manufactures, which, being once formed, can advance toward perfection without any adventitious aid; while others, for want of the fostering hand of Government, will be unable to go on at all. Legislative attention will be therefore necessary to collect the proper objects for this purpose." The objects of this act were declared in the preamble to be, "for the support of government, the discharge of the debts of the United States, and for the encouragement and protection of manufactures.

The following is a list of the principal articles upon which duties were imposed by this act, with the amount of duty upon each:

| | | cts. |
|---|---|---|
| Spirits, Jamaica proof, | gal. | 10 |
| " all other, | " | 8 |
| Wine, Madeira, | " | 18 |
| " all other, | " | 10 |
| Beer, ale, &c. in casks, | " | 5 |
| " " in bottles, | doz. | 20 |
| Molasses, | gal. | 2½ |
| Sugar, brown, | lb. | 1 |
| " loaf, | " | 3 |
| " all other, | " | 1½ |
| Coffee, | " | 2½ |
| Candles, tallow, | " | 2 |
| " wax or sperm, | " | 6 |
| Cheese, | " | 4 |
| Soap, | " | 2 |
| Tobacco, manufact., | " | 6 |
| Snuff, | " | 10 |
| Indigo, | " | 16 |
| Wool & cotton cards, | doz. | 50 |
| Salt, | bush. | 6 |
| Coal, | " | 2 |
| Boots, | pair. | 50 |
| Shoes, leather, | " | 7 |
| " silk or stuff, | " | 10 |
| Cables, | 112 lbs. | 75 |
| Cordage, tarred, | " | 75 |
| " untarred, & yarn, | " | 90 |
| Twine, or pack-thread, | " | 200 |
| Steel, | 112 lbs. | 56 |
| Nails and spikes, | lb. | 1 |
| Fish, pickled, | barrel. | 75 |
| " dried, | quintal. | 56 |
| Teas, imported from China or India, in American vessels:— | | |
| Tea, bohea, | lb. | 6 |
| " souchong & other black, | " | 10 |
| " hysons, | " | 20 |
| " other green, | " | 12 |
| If imported from Europe:— | | |
| Tea, bohea, | lb. | 10 |
| " souchong & other black, | " | 13 |
| " hysons, | " | 26 |
| " other green, | " | 16 |
| If imported in any other manner than as above mentioned:— | | |
| Tea, bohea, | " | 15 |
| " souchong, or other black, | " | 22 |
| " hysons, | " | 45 |
| " other green, | " | 27 |

Among those articles which were subject to *ad valorem* duties, were the following:

On all goods, other than teas, imported from China or India, in vessels not built or owned by citizens of the United States, 12½ per cent.

On looking glasses, window and other glass, (except black quart bottles,) on china, stone and earthen ware, gunpowder, paints ground in oil, gold and silver leaf, and gold and silver lace, 10 per cent.

On paper, cabinet ware, buttons, saddles, leather gloves, hats of beaver, fur, or wool, millinery ready made, iron castings and slit and rolled iron, leather and manufactures of leather, clothing ready made, brushes, gold, silver, and plated ware, and jewelry and paste work, anchors, and tin and pewter ware, 7½ per cent.

On coaches, chariots, and other carriages, 15 per cent.

On all other goods, 5 per cent. on the value at the place of importation, except saltpeter, tin in pigs, tin plates, lead, old pewter, iron and brass wire, copper in plates, wool, cotton, dye-stuffs, raw hides, beaver and other furs and deer skins.

On hemp, after the first of December, 1790, imported as aforesaid, 60 cents per 112 lbs.; on cotton, 3 cents per pound.

A discount of 10 per cent. on all the duties imposed by this act, was to be allowed on all goods imported in American vessels.

Duties paid on goods which should be exported within one year, were to be refunded, except a small per centage in consideration of the expense of the entry and safe keeping thereof.

This act was to be in force until the 1st day of June, 1796, and thence until the end of the next succeeding session of Congress, and no longer.

It will be seen from the foregoing schedule, that the benefit of the protecting principle was not confined to the manufactures of the Middle and Northern States, but was fully extended to the agricultural products of the South. The duty on manufactured tobacco, (the only form in which that article could compete with American tobacco,) was a tax on the labor employed in the manufacture, and on the consumption of the article, for the benefit of the planter. On hemp, an article of prime necessity to the navigating States, a high duty was laid. And on cotton, a heavy duty of three cents a pound was laid. This was an important material of household manufacture at the North, at an early period; although the manufacture on a large scale, and by improved machinery, did not take place till shortly before the passage of this act. At that period, cotton mills were erected in Rhode Island, Massachusetts, and other places; and duties were laid in some States for the encouragement of the manufacture.

The cotton used at the North was all imported, principally from the West Indies, no more being then raised in the Southern States than was consumed in domestic use. Hence, the duty was laid, not so much to encourage and protect, as to create its culture in the United States, as appears from the proceedings of Congress. When the foregoing act passed the House of Representatives, the raw materials of certain manufactures, and among them cotton, were left duty free. In the Senate, when the duty on this article was inserted in the bill, a member from South Carolina said the production of cotton was in *contemplation* in South Carolina and Georgia;

and "if good seed could be procured, he hoped it might succeed." "On this hope, the duty was imposed; and a tax, amounting probably to 8 or 10 per cent., was laid upon the raw material of the infant manufacture, at the same time that the duties laid on the imported fabric, by some of the State laws, were reduced. On the 5th December, 1791, Gen. Hamilton, by order of the House of Representatives, made his famous report on manufactures, in which he states, 'that the present duty of three cents per pound on the foreign raw material was undoubtedly a serious impediment to the manufactures of cotton;' and that 'a repeal of it is indispensable' for the prosperity of the manufacturers. It was nevertheless not repealed. Thus, in the infancy of this manufacture in the Northern and Middle States, struggling as it was, under a reduced duty, against the machinery of Arkwright, Hargraves, and Watt, a heavy burden was laid upon the raw material, to enable the planters of the Southern States to explore the tropics, from the West Indies to the Phillippines, in search of a species of cotton seed which would thrive in their climate. For four or five years this duty pressed, with unmitigated weight, on the manufactures of the Northern and Middle States, both household and machinery. There was not a pound of cotton spun—no, not for candle-wicks to afford light to the humble industry of the cottage, that did not pay this duty to the Southern planter for four or five years.

"In 1794, when Mr. Jay negotiated the treaty with Great Britain, it does not seem to have been known to that distinguished statesman, that cotton was raised for exportation in the United States; and he accordingly admitted it among the articles not to be exported from the United States in American bottoms. Even as late as 1796, I find in the journals of Congress, that a petition from the proprietors of a cotton mill on the Brandywine, who prayed for the repeal of the duty on the raw material, and the increase of that on cotton goods, was rejected by the Committee of Commerce and Manufactures, on the grounds that the existing duty afforded sufficient protection, and that 'to repeal the duty on raw cotton imported, would be to damp the growth of cotton in our own country.'" *

The next act passed by this Congress, was "An act im-

* Edward Everett's Address at the Fourth Annual Fair of the American Institute, held in October, 1831; from which several other facts in this Chapter are taken.

posing duties on tunnage," or a navigation act. The duties were as follows:

On ships or vessels owned wholly by citizens of the United States, at the rate of 6 cents per tun. On ships or vessels *thereafter* built in the United States, owned wholly or in part by subjects of foreign Powers, 30 cents per tun. On all other vessels, 50 cents per tun. American vessels employed in the coasting trade, were to pay tunnage no oftener than once a year. Foreign vessels in the coastwise transportation of American produce or manufactures, were to pay 50 cents a tun, on each entry.

Thus we see how promptly Congress exercised the powers granted by the Constitution, to lay duties for revenue and the regulation of commerce; a power, the want of which had been so severely felt under the confederation, and had, as we have seen, more than any other cause, led to the calling of the convention that framed the Constitution. This is the more deserving of notice, from the fact that the power of Congress to encourage domestic manufactures by protective duties, which seems to have been then universally conceded, has, since that time, been seriously questioned.

## CHAPTER II.

**The Secretary of the Treasury ordered to report a plan for the encouragement of manufactures. Mr. Hamilton's report.**

CONGRESS having continued in session until the 29th of September without completing its business, the two Houses agreed to a recess to continue until the 1st Monday in January, 1790; on which day they again assembled.

The President, in his Message, calls the attention of Congress to "the advancement of agriculture, commerce, and manufactures." And on the 15th of January, the House of Representatives ordered the Secretary of the Treasury "to report a proper plan, conformably to the recommendation of the President, for the encouragement and promotion of such manufactures as would tend to render the United States independent of other nations for essential, particularly for military supplies."

At the last session of the 2d Congress, begun at Philadelphia, October 24th, 1791, Secretary Hamilton made an elaborate report on the subject of manufactures, which, in point of clearness and force of argument, has probably never *been surpassed* by any state paper on this subject.*

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* Of the author of this and other official reports, an American statesman, [Charles J. Ingersoll, of Pennsylvania, in an address before the American Institute, in 1835,] speaks thus: "If any one man more than many others is entitled to be called the author of this golden age of navigation, he lived and died in this city, [New York] prematurely, by a violent death, a victim to soldierly pride; who, when hardly of age, was deemed by Washington worthy to be his bosom counselor; when little more than thirty years old, composed those masterly reports on the domestic industry, the commerce, and navigation of the United States, which have ever since been the precepts of all his successors in the Treasury; who, after a youth of signalized service in the field, and early manhood in the cabinet, where he was equally eminent, in middle life, turned to take the lead at once among powerful competitors in a learned profession; who, as a soldier, a statesman, a lawyer, and an orator, had no superior in his day,—Alexander Hamilton.

"It may be affirmed, that industry, as encouraged and protected by his providence, doubled the value of every foot of ground in the inhabited parts of the United States; and that, if his services could have been paid as a private agent, instead of a statesman, a small per centage taken from

A few pages here may be profitably occupied with extracts from Mr. Hamilton's report. Having shown "that manufacturing industry has been improperly represented as unproductive in itself, and that the establishment and diffusion of manufactures have the effect of rendering the total mass of useful and productive labor in a community greater than it otherwise would be," he thus proceeds:

"It is now proper to proceed a step further, and to enumerate the principal circumstances from which it may be inferred, that establishments not only occasion a positive augmentation of the produce and revenue of the society, but that they contribute essentially to rendering them greater than they could possibly be without such establishments.

"These circumstances are—

"I. The division of labor. There is scarcely anything of greater moment in the economy of a nation, than the proper division of labor. The separation of occupations causes each to be carried to a much greater perfection than it could possibly acquire if they were blended. This arises principally from three causes:

"1st. The greater skill and dexterity naturally resulting from a constant and undivided application to a single object.

"2d. The economy of time, by avoiding the loss of it, incidental to a frequent transition from one operation to another of a different nature.

"3d. An extension of the use of machinery. A man occupied on a single object will have it more in his power, and will be more naturally led to exert his imagination in devising methods to facilitate and abridge labor, than if he were perplexed by a variety of independent and dissimilar operations. Besides this, the fabrication of machines, in numerous instances, becoming itself a distinct trade, the artist who follows it, has all the advantages which have been enumerated for improvement in his particular art, and in both ways the invention and application of machinery are extended.

"And from these causes united, the mere separation of the cultivator from that of the artificer, has the effect of augment-

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what he added to every man's property, would have made him the richest man in the world. The mantle of protection he left on navigation, and recommended for manufactures, was warmly applied to their infancy by several acts of Congress, after that second and effectual era of American independence, the war of 1812."

ing the productive powers of labor, and with them the total mass of the produce or revenue of a country. In this single view of the subject, therefore, the utility of artificers or manufacturers towards promoting an increase of productive industry, is apparent.

"II. The next circumstance to be noticed is an extension of the use of machinery, a point which, though partly anticipated, requires to be placed in one or two additional lights.

"The employment of machinery forms an item of importance in the general mass of national industry. It is an artificial force brought in aid of the natural force of man; and, to all the purposes of labor, is an increase of hands; an accession of the strength, unencumbered, too, by the expense of maintaining the laborer. May it not, therefore, be fairly inferred, that those occupations which give greater scope to the use of this auxiliary, contribute most to the general stock of industrious effort, and, in consequence, to the general product of industry?

"It shall be taken for granted, that manufacturing pursuits are susceptible, in a greater degree, of the application of machinery, than those of agriculture. If so, all the difference is lost to a community, which, instead of manufacturing for itself, procures the fabrics requisite to its supply from other countries. The substitution of foreign for domestic manufactures, is a transfer to foreign nations of the advantages accruing from the advantages of machinery, in the modes in which it is capable of being employed, with most utility, and to the greatest extent.

"The cotton mill invented in England within the last twenty years, is a signal illustration of the proposition which has been just advanced. In consequence of it, all the different processes for spinning cotton are performed by means of machines which are put in motion by water, and attended chiefly by women and children, and by a smaller number of persons, in the whole, than are requisite in the ordinary mode of spinning. And it is an advantage of great moment that the operations of this mill continue, with convenience, during the night as well as through the day. The prodigious effect of such a machine is easily conceived. To this invention is to be attributed, essentially, the immense progress which has been so suddenly made in Great Britain in the various fabrics of cotton.

"III. The additional employment of classes of the community not engaged in the particular business

"In places where manufacturing institutions prevail, besides the persons regularly engaged in them, they afford occasional and extra employment to industrious individuals and families, who are willing to devote the leisure resulting from the intermissions of their ordinary pursuits to collateral labors, as a resource for multiplying their acquisitions or their enjoyments. The husbandman himself experiences a new source of profit and support from the increased industry of his wife and daughters, invited and stimulated by the demands of the neighboring manufactories. Another advantage is the employment of persons who would otherwise be idle, (and in many cases a burden on the community,) either from the bias of temper, habit, infirmity of body, or some other cause, indisposing or disqualifying them for the toils of the country.

"IV. The promoting of emigration from foreign countries.

"If it be true, that it is the interest of the United States to open every possible avenue to emigration from abroad, it affords a weighty argument for the encouragement of manufactures, which will have the strongest tendency to multiply the inducements to it.

"Here is perceived an important resource, not only for extending the population, and with it the useful and the productive labor of the country, but likewise for the prosecution of manufactures, without deducting from the number of hands which might otherwise be drawn to tillage. Many whom manufacturing views would induce to emigrate, would afterwards yield to the temptations which the particular situation of this country holds out to agricultural pursuits. And while agriculture would in other respects derive many signal advantages from the growth of manufactures, it is a problem whether it would gain or lose as to the article of the number of persons employed in carrying it on.

"V. The furnishing of greater scope for the diversity of talents and dispositions which discriminate men from each other.

"It is a just observation, that minds of the strongest and most active powers for their proper objects, fall below mediocrity, and labor without effect, if confined to uncongenial pursuits. And it is thence to be inferred, that the results of human exertion may be immensely increased by diversifying its objects. When all the different kinds of industry obtain in a community, each individual can find his proper element, and can call into activity the whole vigor of

his nature: and the community is benefited by the services of its respective members, in the manner in which each can serve it with most effect.

"VI. The affording of a more ample and various field for enterprise.

"Every new scene which is opened to the busy nature of man, to arouse and exert itself, is the addition of a new energy to the general stock of effort. The spirit of enterprise, useful and prolific as it is, must necessarily be contracted or expanded in proportion to the simplicity or variety of occupations and productions which are to be found in a society. It must be less in a nation of mere cultivators than in a nation of cultivators and merchants; less in a nation of cultivators and merchants than in a nation of cultivators, artificers, and merchants.

"VII. The creating, in some instances, a new, and securing in all, a more certain and steady demand for the surplus produce of the soil.

"This is among the most important of the circumstances which have been indicated. It is a principal means by which the establishment of manufactures contributes to the augmentation of the produce or revenue of a country, and has an immediate and direct relation to the prosperity of agriculture.

"It is evident that the exertions of the husbandman will be vigorous or feeble, in proportion to the steadiness or fluctuation, adequateness or inadequateness, of the markets on which he must depend for the vent of the surplus which may be produced by his labor; and that such surplus, in the ordinary course of things, will be greater or less in the same proportion. For the purpose of this vent, *a domestic market is greatly to be preferred to a foreign one;* because it is, in the nature of things, *far more to be relied upon*. . . . . The foreign demand for the products of agricultural countries is rather *casual* and *occasional* than certain or constant. Injurious interruptions of the demand for some of the staple commodities of the United States are at times very inconveniently felt; and cases not unfrequently occur, in which markets are so confined and restricted as to render the demand very unequal to the supply. The differences of seasons in the countries which are the consumers, make immense differences in the produce of their own soils in different years; and, consequently, in the degrees of their necessity for foreign supply. Plentiful harvests with them, especially if similar ones occur at the same time in the countries which are the furnishers, occasion, of course, a glut in the markets of the latter.

"Considering how fast and how much the progress of new settlements of the United States must increase the surplus produce of the soil, and weighing seriously the tendency of the system which prevails among most of the commercial nations of Europe; there appear strong reasons to regard the foreign demand for that surplus as too uncertain a reliance, and to desire a substitute for it in an extensive domestic market. To secure such a market, there is no other expedient than to promote manufacturing establishments. Manufacturers, who constitute the most numerous class, after the cultivators of land, are, for that reason, the principal consumers of the surplus of their labors.

"It merits particular observation, that the multiplication of manufactories not only furnishes a market for those articles which have been accustomed to be produced in abundance in a country, but it likewise creates a demand for such as were either unknown or produced in inconsiderable quantities. The bowels as well as the surface of the earth, are ransacked for articles which were before neglected. Animals, plants, and minerals, acquire a utility and a value which were before unexplored.

"The foregoing considerations seem sufficient to establish the propositions, that it is the interest of nations to diversify the industrious pursuits of the individuals who compose them, and that the establishment of manufactures is calculated to increase the general stock of useful and productive labor."

The Secretary next notices what may be said in reference to the particular situation of the United States, against the conclusions which appear to result from what has been already offered.

"There are those who admit that a country which possesses large tracts of vacant and fertile lands, and is secluded from foreign commerce, may be benefited by diverting a part of its population from tillage to manufactures; but who deny that the same is true of a country which, having such vacant and fertile lands, has at the same time ample opportunity of procuring the manufactures which it needs, on good terms, from abroad. And though it should be true, that, in settled countries, diversified industry increases the productive powers of labor, and augments revenue and capital; yet it does not appear to be of so solid and permanent advantage to an uncultivated and unpeopled country, as to convert its wastes into cultivated and inhabited districts. If the revenue, in the mean time, should be less, the capital in the event must be greater."

The Secretary's answer to these observations, we give in a condensed form, as follows:

If perfect liberty to industry and commerce were the prevailing system of nations, there would be great force in the arguments which dissuade a country in the situation of the United States from the pursuit of manufactures. If one nation could supply manufactured articles on better terms than another, that other might be indemnified by its superior capacity to furnish the produce of the soil; and a free exchange might be mutually beneficial. But the system mentioned does not characterize the general policy of nations. Consequently the United States are to a certain extent precluded from foreign commerce. Countries with which we have the most extensive intercourse, throw serious obstructions in the way of the principal staples of the United States.

In such a position of things, we can not exchange with Europe on equal terms; and the want of reciprocity would compel us to confine our views to agriculture, and to refrain from manufactures. A constant and increasing necessity on our part for the commodities of Europe, and only a partial and occasional demand for our own in return, would expose us to a state of impoverishment, compared with the opulence to which our political and natural advantages authorize us to aspire. Whether other nations do not, by their policy, lose more than they gain, they must judge for themselves: it is for the United States to consider how they can render themselves least dependent on the combinations of foreign policy. If Europe will not take from us the products of our soil upon favorable terms, the natural remedy is to contract as fast as possible our wants of hers.

The conversion of our uncultivated lands is a point of great importance. But though the encouragement of manufactures should somewhat retard this object, the disadvantage would be more than counterbalanced by such encouragement. The interests even of agriculture may be advanced more by having the occupied lands under good cultivation, than by having a greater quantity occupied under inferior cultivation. Manufactories tend to promote a more steady and vigorous cultivation of the lands occupied, and serve to increase both the capital value and the income of the lands, even though they should abridge the number of acres under tillage.

But it is by no means certain that new settlements would be retarded by the extension of manufactures. So strong is the natural desire of being an independent proprietor of land,

and so easily is it acquired in this country, that but a small proportion of those who have this desire would be diverted from it towards manufactures. And it is probable, as already intimated, that, of the foreigners drawn hither by manufacturing views, who would afterwards abandon them for agricultural, would be equal to those of our own citizens who might have exchanged agricultural for manufacturing pursuits.

Another objection to a particular encouragement of manufactures in the United States, is, that industry, if left to itself, will naturally find its way to the most profitable employment; and hence, that manufactures, without the aid of Government, will grow up as soon and as fast as the natural state of things and the interest of the community may require.

To this it is replied, in substance, that the fear of failure in untried enterprises, the difficulties incident to first attempts to compete with those who have attained to perfection in the business to be attempted, and the bounties, premiums, and other encouragements with which foreign nations aid the exertions of their own citizens, discourage the investment of capital in manufactures. Men change their occupations with reluctance and hesitation; and these changes would be likely to be too tardy for the interest either of individuals or of the community, without the aid of Government.

The three circumstances, namely, scarcity of hands, dearness of labor, and want of capital, which are urged as objections to the pursuit of manufactures, are next considered.

The two first of these circumstances, the Secretary admits, operate to some extent against the manufacturing enterprise in the United States; but they are not sufficient to prevent its advantageous prosecution. Some districts are already pretty fully peopled; and, having fewer attractions to agriculture than some other parts of the Union, they exhibit a stronger tendency towards other kinds of industry. But the effect of a scarcity of hands is materially diminished by the employment of women and children, the use of improved machinery, and the attraction of foreign emigrants. The objection to the success of manufactures, deduced from the scarcity of hands, is alike applicable to trade and navigation, and yet these do not appear to suffer any impediment from that cause.

The dearness of labor has relation, principally, to two circumstances; the scarcity of hands, and the greatness of profits.

The former of these, the scarcity of hands which has just

been discussed, is farther considered. The effect of the disparity, in this respect, between Europe and this country, is diminished in proportion to the use which can be made of machinery. Machines can be prepared here on nearly as favorable terms as in Europe. So far as they depend on water, superiority of advantages may be claimed, from the variety and cheapness of situations adapted to mill seats with which many parts of the United States abound.

The dearness of labor, so far as it is a consequence of the greatness of profits, in any branch of business, is no obstacle to success. Undertakers of manufactures can at this time afford to pay higher wages than are paid in Europe. As to the cost of materials and of grounds and buildings; the commissions of agents to purchase the fabrics where they are made; the expense of transportation to the United States, including insurance and other incidental charges; the taxes or duties, if any, and fees of office which are paid on their exportation; the taxes or duties and fees of office paid on their importation:—all these affect the price of the foreign fabric, and go far to counterbalance the advantage of the greater cheapness of labor.

Lastly, the want of capital. This is the most indefinite of the objections urged against the prosecution of manufactures in the United States. The real extent of the moneyed capital of a country, and the proportion which it bears to the objects which invite the employment of capital, are not easily determined. Why may not the some objection—the want of capital—be made to external commerce as to manufactures? It is believed there will be found, in one way or another, a sufficient fund for the successful prosecution of any species of industry which is likely to prove truly beneficial.

The introduction of banks has a powerful tendency to extend the active capital of a country. Their utility is multiplying them in the United States. If administered with prudence, they will add new energies to all pecuniary operations.

The aid of foreign capital, too, may be safely calculated upon. This aid has long been experienced in our external commerce, and has begun to be felt in various modes. In a few instances, it has already extended even to our manufactures. Some parts of Europe have more capital than can be profitably employed at home; and large loans are made to foreign States. Various objects in this country strongly invite the transfer of foreign capital.

Some persons may look with a jealous eye on the introduc-

tion of foreign capital, as if it would deprive our citizens of the profits of our industry; but this is an unreasonable jealousy. Instead of being viewed as a rival, it ought to be considered as a most valuable auxiliary, conducing to put in motion a greater quantity of productive labor, and a greater portion of useful enterprise. In a country like ours, with vast resources yet to be unfolded, foreign capital is a precious acquisition. When once introduced, and for whatever purpose, it may be directed to any object: and to detain it among us, no expedient is so effectual as to enlarge the sphere within which it may be usefully employed. Though introduced merely with views to speculations in the funds, it may afterwards be made to subserve the interests of agriculture, commerce, and manufactures.

But the attraction of foreign capital may be expected for the direct purpose of manufactures; as enterprises for improving the public communications, by cutting canals, opening the obstructions in rivers, and erecting bridges, have received material aid from the same source. Among the powerful inducements to the manufacturing capitalist of Europe, to transfer himself and his capital to the United States, is the reflection, that the progressive population and improvement of this country insure a continually increasing domestic demand for the fabrics which he shall produce.

But there is a species of capital actually existing within the United States, which relieves from all anxiety on the score of want of capital: this is the Funded Debt. Public funds answer the purpose of capital from the estimation in which they are held by moneyed men, and consequently from the ease and dispatch with which they can be turned into money. This causes, in many instances, a transfer of stock to be equivalent to a payment in coin. Hence, in a sound and settled state of the public funds, a man possessed of a sum in them, can embrace any scheme of business with as much confidence as if he had an equal sum in coin.

It is objected to the encouragement of manufactures, that it tends to give a monopoly of advantages to particular classes of the community at the expense of others, who might supply themselves with manufactured articles on better terms from abroad; and who, it is alleged, are compelled to pay an enhanced price for what they want. Measures which serve to abridge the free competition of foreign articles, may occasion an enhancement of prices. Such is not uniformly the effect. The establishment of a domestic manufacture has often

been followed immediately by a reduction of price. But though the immediate and certain effect should be an increase of price, it is universally true, that the contrary is the ultimate effect with every successful manufacture. *When a domestic manufacture has attained to perfection, and has engaged in the prosecution of it a competent number of persons, it invariably becomes cheaper.* Being free from the heavy charges which attend the importation of foreign commodities, it can be afforded, and accordingly seldom or never fails to be sold cheaper, in process of time, than was the foreign article for which it is a substitute. The internal competition which takes place, soon does away every thing like monopoly, and by degrees reduces the price of the article to the minimum of a reasonable profit on the capital employed. This accords with the reason of the thing and with experience. Whence it follows, that it is the interest of the community, with a view to eventual and permanent economy, to encourage the growth of manufactures. In a national view, a temporary enhancement of price must always be well compensated by a permanent reduction of it.

This eventual diminution of the prices of manufactured articles, which is the result of internal manufacturing establishments, has a direct and important tendency to benefit agriculture. It enables the farmer to procure with a smaller quantity of his labor the manufactured product of which he stands in need, and consequently increases the value of his income and property.

The Secretary proceeds to strengthen the considerations which have been presented in favor of the protective policy.

The trade of a country which is both manufacturing and agricultural, will be more lucrative and prosperous than that of a country which is merely agricultural. While the necessities of exclusively agricultural nations for the fabrics of manufacturing States, are constant and regular, the wants of the latter for the products of the former, are liable to very considerable fluctuations and interruptions; owing to the great inequalities resulting from difference of seasons, as has been elsewhere remarked, and to other causes. This uniformity of demand on the one side, and unsteadiness of it on the other, causes the course of the exchange of commodities between the parties to turn out to the disadvantage of the merely agricultural nation. Peculiarity of situation, a climate and soil adapted to the production of peculiar commodities, may sometimes contradict the rule; but it is believed that it will be found in the main a just one.

States that manufacture as well as cultivate, having a more diversified market, present more numerous attractions to foreign customers, and afford greater scope to mercantile enterprise. The greatest resort will ever be to those marts where commodities, while equally abundant, are most various. And it is a position not less clear, that the field of enterprise must be enlarged to the merchants of a country, in proportion to the variety as well as the abundance of commodities which they find at home for exportation to foreign markets.

Again, the nation which can bring to market but few articles, is likely to be more quickly and sensibly affected by the stagnations of demand for certain articles which, at some time or other, interfere more or less with the sale of all, than a nation which is always possessed of a great variety of commodities.

The balance of trade, too, is more likely to be in favor of countries in which manufactures, founded upon a thriving agriculture, flourish, than of those which are confined wholly, or almost wholly, to agriculture, and consequently, are likely to possess more pecuniary wealth, or money.

Not only the wealth, but the independence and security of a country appear to be materially connected with the prosperity of manufactures. The extreme embarrassments of the United States, during the war, from an incapacity of supplying themselves, are still matter of keen recollection.

Our distance from Europe, the great fountain of manufactured supply, subjects us, in the existing state of things, to inconvenience and loss.

The opinion is not uncommon, that though the promoting of manufactures may be the interest of a part of the Union, it is contrary to that of another part. The Northern and Southern regions are sometimes represented as having adverse interests in this respect. Those are called manufacturing, these agricultural States; and a species of opposition is imagined to subsist between the manufacturing and agricultural interests. This is the common error of the early periods of every country; but experience gradually dissipates it. It is a maxim well established by experience, that the aggregate prosperity of manufactures, and the aggregate prosperity of agriculture, are intimately connected.

Ideas of a contrariety of interests between the Northern and Southern regions of the Union, are, in the main, as unfounded as they are mischievous. *Mutual wants constitute one*

*of the strongest links of political connection;* and the extent of these bears a natural proportion to the diversity in the means of mutual supply.

"If the Northern and Middle States," ~~continues the Secretary,~~ "should be the principal scenes of such establishments, they would immediately benefit the more Southern, by creating a demand for productions, some of which they have in common with the other States, and others of which are either peculiar to them, or more abundant, or of better quality, than elsewhere. These productions, principally, are timber, flax, hemp, cotton, wool, raw silk, indigo, iron, lead, furs, hides, skins, and coals. Of these articles, cotton and indigo are peculiar to the Southern States, as are hitherto lead and coal. Flax and hemp are, or may be raised in greater abundance there than in the more Northern States; and the wool of Virginia is said to be of better quality than that of any other State—a circumstance rendered the more probable by the reflection, that Virginia embraces the same latitudes with the finest wool countries of Europe. The climate of the South is also better adapted to the production of silk. The extensive cultivation of cotton can perhaps hardly be expected, but from the previous establishment of domestic manufactories of the article; and the surest encouragement and vent for the others, would result from similar establishments with regard to them.

"If, then, it satisfactorily appears, that it is the interest of the United States, generally, to encourage manufactures, it merits particular attention, that there are circumstances which render the present a critical moment for entering with zeal upon the important business. The effort can not fail to be materially seconded by a considerable and increasing influx of money, in consequence of foreign speculations in the funds, and by the disorders which exist in different parts of Europe."

In order to a better judgment of the means proper to be resorted to by the United States, it will be of use to advert to those which have been employed with success in other countries. Among the principal of which ~~the Secretary~~ we might mention the following:

I. Protecting duties, or duties on those foreign articles which are the rivals of the domestic ones intended to be encouraged.

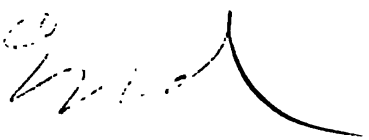
II. Prohibitions of rival articles, or duties equivalent to prohibitions.

III. Prohibitions of the exportation of the material of manufactures.

IV. Pecuniary bounties.

V. Premiums. These differ from bounties. Bounties are applicable to the whole quantity of an article produced, or manufactured, or exported, and involve a correspondent expense. Premiums serve to reward some particular excellence or superiority, some extraordinary exertion or skill, and are dispensed only in a small number of cases.

VI. The exemption of the materials of manufactures from duty; the policy of which, as a general rule, particularly in reference to new establishments, is obvious.



## CHAPTER III.

**Modifications of the Tariff. Action of Congress in 1809–1810. Secretary Gallatin's Report. Double duties imposed.**

For several years, no essential change was made in the tariff of duties on imports. In 1797 was passed "An act for raising a further sum of money, by additional duties on certain articles imported, and for other purposes." By this act, the duty on brown sugar was raised one-half of a cent a pound. On all bohea tea, 2 cents a pound; and on molasses, 1 cent a gallon, additional duty was laid; and on velvets, muslins, and other cotton goods not printed or colored, an addition of 2½ per cent. *ad valorem*.

In 1800, additional duties were laid: On brown sugar, of one-half of a cent a pound; sugar candy 2½ cents a pound; molasses, 1 cent a gallon. On all goods paying a duty of 10 per cent., 2½ per cent. additional. The existing duties on wines were abolished; and in lieu thereof, there was laid, on the best kinds of Madeira, 58 cents a gallon; and on other wines the duties were graduated down to 20 cents a gallon. To the rates of duties above specified, 10 per cent. was to be added in respect to such goods of these kinds as should be imported in foreign vessels. On account of the additional duties on brown sugar, some addition was made to the drawback allowed by law on sugar refined in the United States, and exported; also on spirits distilled from molasses, and exported.

The object of these acts, it is presumed, was rather to increase the revenue, than for the encouragement of domestic industry.

In 1804, an act was passed "for imposing more specific duties on the importation of certain articles;" with more special reference to the encouragement of the manufacture of them. During the two preceding sessions, petitions had been presented from the manufacturers of numerous articles; as, gunpowder, hats, printing types, brushes; from manufacturers of starch, paper, and umbrellas; and from calico printers, cordwainers, shoemakers, printers, combmakers, gunsmiths, and cork-cutters. Reports on the same had been made by the Committee of Commerce and Manufactures; but

no decisive action had been taken upon them. A number of similar memorials were again presented to Congress for encouragement to these branches of manufacture; and the whole were now reported on by the Committee above mentioned.

The modes, mentioned by the Committee, of favoring domestic manufactures by governmental aid, are, 1. By exempting imported raw materials from impost duties. 2. By laying higher or prohibiting duties on manufactured articles imported. 3. By withholding drawback from articles of foreign manufacture exported again. 4. By allowing drawback of duties paid on domestic manufactures equal to what was paid on the raw materials on their importation. This had been allowed on the exportation of sugar refined from foreign materials, and on rum distilled from foreign molasses; though under the law then existing, neither was entitled to the drawback. 5. By direct bounties. This mode of encouragement had been thought to have been employed partially in the curing and exporting of codfish, and could be extended to other branches of business, if sound policy required it.

It ought to be considered, say the Committee, that there is great scope for agriculture, tillage, and rural employment in the United States. Agriculture is the great occupation which sets in motion all kinds of manufactures. It furnishes both the raw materials and the articles of subsistence to those engaged in manufacturing employments. This being the fact, the question arises, whether we shall furnish raw materials and food to manufacturers in our own country, or in foreign lands. Political economists will instantly see, that tho good of the revenue and the happiness of the people, are best promoted by offering a part of our unwrought materials and of our surplus provisions to domestic manufacturers, and to export the other part of what we can spare, in exchange for the wrought productions of foreign manufactories.

The Committee reported a list of articles to be admitted free of duty, and of those the duties on which ought to be raised, specifying the duties to be paid on the articles respectively; and a bill was reported.

Mr. Huger, of S. C., moved its postponement to the first Monday of December.

Mr. J. Clay, of Penn., observed that a postponement would be virtually a rejection of the bill.

Mr. Samuel L. Mitchell, of N. Y., chairman of the Commit-

tee on Commerce and Manufactures, who reported on the subject, and Mr. Blackledge, of N. C., advocated the bill.

Mr. Roger Griswold, of Conn., opposed it, principally on the ground that it increased the rate of duties.

Mr. J. Clay replied ; and allowed that the duties imposed by the bill would produce more revenue than that heretofore received, but contended that this would arise from the fraudulent practice heretofore in use of making out invoices of articles subject at present to *ad valorem* duties. In removing this evil, the necessary effect would be an increase of revenue, not exceeding, however, the probable receipt in case the invoices were fairly made out.

Mr. Huger contended that the operation of the bill would be to promote the manufactures of the Eastern and Middle State, to the great detriment of the Southern States. Principally, though not entirely, he declared himself hostile to the bill.

The motion to postpone was lost ; yeas, 40 ; nays, 68.

On the final passage of the bill, the vote was, yeas, 65 ; nays, 41, as follows :

*New Hampshire :* Nays, 3. *Massachusetts :* Yeas 7; nays, 7. *Rhode Island :* Yeas, 2. *Connecticut :* Nays, 5. *Vermont :* Yeas, 2; nays, 2. *New York :* Yeas, 8 ; nays, 3. *New Jersey :* Yeas, 2. *Pennsylvania :* Yeas, 12; nay, 1. *Maryland :* Yeas, 6 ; nays, 2. *Virginia :* Yeas, 9; nays, 7. *North Carolina :* Yeas, 5 ; nays, 3. *South Carolina :* Nays, 5. *Georgia :* Yea, 1 ; nay, 1. *Kentucky :* Yeas, 4. *Tennessee :* Yeas, 2; nay, 1. *Ohio :* Yeas, 2.

It is worthy of note, that most of the duties imposed by this act, like those under the other earlier tariff acts, were specific duties, which were then, as they have since been, considered by protectionists as preferable to *ad valorem* duties. They can not be evaded, in whole or in part, and therefore afford surer protection both to the manufacturer and to the revenue.

The act provides as follows : To the articles exempted from duty, are added, rags, bristles, regulus of antimony, unwrought clay, unwrought burr stones, and the bark of the cork tree.

Upon the following articles duties were laid :

Fish, foreign caught, dried, 50 cents per quintal.
" foreign caught, pickled—salmon, 100 cents per barrel.
" mackerel, 60 cents ; all other pickled, 40cts. " "
Cordage, untarred, 2½ cents per pound.
Cables, tarred cordage, white and red lead, 2 cents per pound.
Almonds, currants, prunes, plums, and figs, 2 " "
Raisins, in jars and boxes, and unsealed, 2 " "

Raisins, all other kinds, 1½ cents per pound.
Tallow, yellow ocher in oil, anchors, sheet iron, 1½ cents per pound.
Spanish brown, dry, yellow ocher, slit and hoop iron, 1 cent per pound.
Starch, glue, and seines, 4 cents per pound.
Chinese cassia and gunpowder, 4 cents per pound.
Cinnamon and cloves, 20 cents per pound.
Nutmegs, 50 cents, mace, $1,25 per pound.
Black glass bottles, 60 cents per gross.
Window glass as follows: All not above 8 inches by 10, $1,60 per 100 square feet; not above 10 inches by 12, $1,75; and all above, $2,25 per 100 square feet.
Cigars, $2 per thousand.
Shoes, kid and morocco, 15 cents a pair.
Lime, foreign, 50 cents per cask containing 60 gallons.
Wine, Sicily, 30 cents per gallon.

If imported in foreign vessels, 10 per cent. was to be added to the above.

At the 1st session of the 11th Congress, begun on the 22d of May, 1809, President Madison called the attention of Congress to the subject of manufactures, in the following paragraph:

"The revision of our commercial laws, proper to adapt them to the arrangement which has taken place with Great Britain, will doubtless engage the early attention of Congress. It will be worthy, at the same time, of their just and provident care, to make such further alterations in the laws as will more especially *protect and foster the several branches of manufacture*, which have been recently instituted or extended by the laudable exertions of our citizens."

Mr. Bacon, of Massachusetts, on the 31st of May, moved that the House come to the following resolution:

"*Resolved*, That the Secretary of the Treasury be directed to prepare and report to this House, at their next session, a plan for the application of such means as are within the power of Congress, for the purpose of protecting and fostering the manufactures of the United States, together with a statement of the several manufacturing establishments which have been commenced, the progress which have been made in them, and the success with which they has been attended; and such other information as, in the opinion of the Secretary, shall be material in exhibiting a general view of the manufactures of the United States."

On a motion to print the resolution,

Mr. Lyon, of Kentucky, opposed the printing of it. He said something should be done at this session for the benefit of the manufacturers. He would not postpone a consideration of the subject for fear of giving offense to the British Government by manufacturing for ourselves. He would proclaim to the world our intention to encourage manufactures.

Mr. Bacon concurred heartily in the patriotic views of the gentleman from Kentucky in encouraging manufactures. He had no idea, by this motion, of interfering with any particular measure which the gentleman wished to adopt in relation to manufactures; he merely looked forward to some practical system for the encouragement of manufactures.

It was ordered to be printed.

Sundry memorials of the manufacturers of hats were presented, and referred to the Committee of Commerce and Manufactures.

Mr. Lyon, on the 1st of June, offered the following resolution:

"*Resolved*, That, for the protection of those who have commenced, and for the encouragement of those who may be disposed to set on foot, manufactures, within the United States, of articles hereafter enumerated, as well as for the encouragement of the cultivation of the productions necessary for such manufactures, provision ought forthwith to be made by law to subject to additional duties on their importation into the United States, all articles of which leather is the material of chief value; hemp and cotton and all articles of which they or either of them are the material of chief value; woolen cloths whose invoice prices shall exceed six shillings sterling per square yard; woolen hosiery, window glass, silver and plated wares, paper of every description, nails, spikes and tacks, hats, clothing ready made, millinery of all kinds, beer, ale, and porter."

Mr. Milnor, of Pennsylvania, observed that this resolution contemplated a duty on what was not at present, and probably could not be manufactured in this country. The gentleman contemplated a duty on all cloths above six shillings sterling a square yard. The coarser cloths were made to a great extent in domestic circles; but we could not get into the manufacture of fine cloths. There were not materials for it. He was happy to have seen a disposition to improve the breed of sheep; but at this time the country was not competent to the manufacture of these articles. The price of wool

in England, and the situation of their manufacturers, had raised the price of their fine cloths so much as nearly to stop their importation into this country, without the impediment of a duty. He had no objection to seeing manufactures encouraged by gentlemen's wearing domestic fabrics, even at a greater expense, in preference to any other; but he would not encourage them by law. Manufactures had already been commenced in the Eastern States before the embargo, and had grown to a considerable extent. A great number of hands were employed in the business at low wages, the emoluments going into the pockets of a few individuals, who were already enriched by them; and the laying of an additional duty would only throw more money into their pockets. He approved of the plan of Mr. Bacon for calling for a report of the Secretary of the Treasury on the subject; and moved that the resolution be referred to the Committee of Commerce and Manufactures.

Mr. Newton, of Virginia, Chairman of that Committee, said they already had this subject under consideration, by order of the House.

Mr. Lyon had no objection to the reference of the resolution to the Committee as an instruction; for that was the course which he had designed to give it. He said he was once himself a great manufacturer of iron, but had failed of success from the want of encouragement. Fine woolens, he said, were not necessary in this country; there were coats in the House that cost less than six shillings the square yard; and he questioned whether that which he wore cost so much. Merchants of the great cities had already objected to these duties because they lessened the importation of goods, and diminished the profits of the merchants. If Congress were to wait till they consented to this measure, it would never be done.

Mr. Macon, of North Carolina, said, in the country in which he lived, the people wanted no protecting duties to encourage domestic manufactures; the only way to encourage them was for great people—for instance, the President and Heads of Departments—to make them fashionable. Laying a tax on foreign goods would but tax the many for the benefit of the few. He had no idea of laying taxes to induce men to work in iron, leather, or any other article. He wished not to refer this resolution, because he wished to meet the question. Let it be referred, and it would be claimed as the commencement of a system, and an earnest of what was to

be done. When the merchants of this country had too much capital to employ it in commerce, they would either employ it in the improvement of the country, or convert it into manufactories; and until this was the case, men of capital would not employ it in manufactures. All that could be done in manufactures in this country, Mr. M. said, was already done in the domestic way. The attempt to go to manufactures before there is a surplus capital, would be like an attempt to raise vegetables in a hot-house. The people who were in favor of the embargo, did not look upon it as the gentleman did, as an encouragement to manufacturing; that was not the object. Of what advantage was it to the community to tax themselves to make these articles? While there were so many other ways of making a living, people would not go into manufacturing houses. The Government must be changed before manufacturing could succeed. Laws must be passed to prevent workmen from conspiring to raise their wages; and the laws of England on this subject would become necessary here. Since the tax had been laid on leather manufactures imported, the price of articles of leather had nearly doubled. Going into this system, he feared, would encourage smuggling; and what then would become of manufactures? They would be destroyed. He wished an immediate decision on this subject.

Mr. Pickman, of Massachusetts, followed on the same side. He said he was in favor of encouraging manufactures; but gentlemen should not suffer their zeal for manufactures to injure the more important interests of agriculture or commerce. He feared an essential injury might be done to the country, by converting agriculturists into manufacturers. We now hold out considerable encouragement to manufactures; for almost all the revenue is derived from imposts on foreign manufactures, the duties on which already average 30 per cent.; and that is surely sufficient. It was not perfectly true in political arithmetic, that two and two made four; for by doubling the duty they would not double the revenue, but very probably much diminish it. He said he did believe that some manufactures deserved encouragment; but the House should proceed cautiously. The subject could not be discussed at this short session, and the very agitation of the question, by inducing men to establish manufactures in expectation of encouragement, might do great injury.

Mr. Holland, of North Carolina, thought very differently from his colleague (Mr. Macon) on this subject. He thought

manufactures ought to be encouraged, and that this nation would never be completely independent till they were fostered in preference to other systems. It had been asked, what good was to be derived from the establishment of manufactures? Mr. H. said it would place the Government in a state of independence of all the casualties of the ocean and of external commerce. We should not then be convulsed by the storms of Europe. We ought not to encourage foreign enterprise, when, with the same enterprise at home, we could be equally happy, and less subject to disasters. From external commerce had arisen all our difficulties; from that source were derived all our navy and army bills. We should, comparatively, stand in need of no revenue, if we should turn our attention to the cultivation of our own resources. Distant from the scenes of war, nothing was necessary to make us happy but the encouragement of our own manufactures. It was unjust not to protect them; for we could not protect our commerce on the ocean, and ought to turn our eyes to the measures which would make us comfortable and happy; and this was one of them. With this nation, said Mr. H., agriculture was the first, manufactures the second, and external commerce a minor consideration. The situation of Great Britain rendered external commerce absolutely necessary to her existence; but we were differently situated, and could do without it. Without her wooden walls, Great Britain would long before this time have become a province of the Continent. But we had our own resources, independent of the world, and ought to cultivate them.

Mr. Love, of Virginia, regarded this an important subject; but the attention of the House had been prematurely, and in an irregular manner called to it.

The question for reference to the Committee was lost: Yeas, 49; nays, 56.

On the 7th of June, was presented a petition of sundry manufacturers of hemp into linen, residing in Kentucky, praying for such additional duties upon the importation of hemp and coarse linens, as would effectually encourage the manufacture of those articles within the United States.

The petitioners had, since the passage of the "embargo" and "non-importation acts," engaged in the manufacture of hemp into linen, and had invested much capital in preparing machinery and erecting buildings for the same. * As it had

* Among the acts of Great Britain which led to the war of 1812, were

become probable that the causes of this act would soon be removed, and that the act would consequently be repealed, the petitioners ask for protection to the manufacture of coarse linens, to prevent "the annihilation of their establishments."

On the 19th of April, 1810, in obedience to a resolution of the house, the Secretary of the Treasury [Mr. Gallatin] communicated to that body a report on American manufactures, in which is given a favorable statement of the progress of the various branches of domestic manufacture.

Of the manufacture of cotton, the report says: "The first cotton mill was erected in the State of Rhode Island, in the year 1791; another in 1795; and two more in the State of Massachusetts, in the years 1803 and 1804. During the three succeeding years, ten more were erected or commenced in Rhode Island, and one in Connecticut; making altogether fifteen mills erected before the year 1808, working at that time about 8,000 spindles, and producing about 300,000 pounds of yarn a year.

Returns have been received of eighty-seven mills which were erected at the end of the year 1809; sixty-two of which, (forty-eight water, and fourteen horse mills,) were in operation, and worked, at that time, 31,000 spindles. The other twenty-five will all be in operation in the course of this year, and, together with the former ones, (most of which are increasing their machinery,) will, by the estimate received, work more than 80,000 spindles at the commencement of the

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the impressment of American seamen, and the compelling of them to serve on British ships of war, and the blockade, or pretended blockade of certain ports on the Continent of Europe. Though the blockade was a measure against those nations with which Great Britain was at war, it operated very injuriously upon our commerce, and was also held by our Government to be an unlawful blockade. Yet American vessels, though not proceeding to blockaded ports, and their cargoes, though not contraband of war, were seized and condemned. As a means of bringing the British Government to a sense of justice, it was proposed to prohibit the importation of all goods, the product or manufacture of Great Britain. But as there were many British products which could not well be dispensed with by the people of this country, such only were prohibited as could be supplied by our own industry. The articles enumerated in the "non-importation act," were all articles of which leather, silk, hemp or flax, and tin or brass were the materials of chief value, tin in sheets excepted; woolen cloths costing over five shillings sterling per square yard; woolen hosiery; window glass and all other glass ware; silver and plated wares; paper of every description; nails and spikes; hats; clothing ready made; millinery of all kinds; playing cards; beer, ale, and porter, and pictures and prints.

year 1811." The secretary estimates the general results for that year as follows:

"Number of mills, 87; number of spindles, 80,000; amount of capital employed, $4,800,000. Cotton used, 3,600,000 pounds; value, $720,000. Yarn spun, 2,880,000 pounds; value, $3,240,000. Persons employed—men, 500; women and children, 3,500. Total employed, 4,000."

Of the manufactures of leather, he says: The annual importation of boots and shoes amounts to 3,250 pairs of boots, and 59,000 pair of shoes, principally kid and morocco. The annual exportation of the same articles of American manufacture, to 8,500 pair of boots, and 127,000 pair of shoes. The shoe manufactures of New Jersey are extensive. That of Lynn, in Massachusetts, makes 100,000 pair of women's shoes annually. The value of all the articles annually manufactured in the United States, which are embraced under this head, [leather] may be estimated at $20,000,000. [Harness and saddles are included in this estimate.]

Of hats, the annual importations amount to $350,000; the annual exportation of American hats, to $100,000. The domestic manufacture was considered nearly equal to the home consumption. In the State of Massachusetts, the number annually made was estimated at 1,550,000, worth about $5,000,000; and the value of all the hats annually made in the United States, was estimated at nearly $10,000,000.

Of soap and tallow candles, the annual importations were, candles, 158,000 pounds; soap, 470,000 pounds. The annual exportations of domestic manufacture were, candles, 1,775,000 pounds; soap, 2,220,000 pounds. The annual domestic manufacture, including those used in private families for their own use, about $8,000,000.

Refined sugar was imported from 1803 to 1807, inclusive, to the amount, annually, of 47,000 pounds; the annual exportation amounted, during the same years, to 150,000 pounds. The quantity annually made was estimated at 5,000,000 pounds, worth $1,000,000. Capital employed, $3,500,000. A drawback on refined sugar exported, equivalent to the duty paid on the importation of the brown sugar used in the refined sugar, had formerly been allowed, but was now discontinued. It was believed, if this duty were again allowed, the foreign demand would be extended.

Foreign hemp was imported annually to the amount of 6,200 tuns. But the interruption of commerce had greatly promoted the cultivation of hemp in Massachusetts, New York,

Kentucky, and several other places; and it was believed a sufficient quantity would soon be produced in the United States.

The manufactures of hemp, viz., ropes, cables, and cordage, were about equal to the demand; the exportations of American manufactures for 1806 and 1807, having exceeded the average of 6,500 quintals, and the importations having fallen short of 4,200 quintals.

Of iron and manufactures of iron, very imperfect information had been received. Iron ore was abundant, and numerous furnaces and forges had been erected. They supplied a sufficient quantity of hollow ware and castings; but of bar iron, about 4,500 tuns were annually imported from Russia, and probably about an equal quantity from Sweden and England together. A vague estimate stated the amount of bar iron used annually in the United States, at 50,000 tuns, which would leave about 40,000 for that of American manufacture. From the demand, however, and from want of proper attention in the manufacture, much inferior American iron was brought to market.

The annual importations of sheet, slit, and hoop iron, amounted to 565 tuns; and the quantity rolled and slit in the United States, was estimated at 7,000 tuns. In Massachusetts alone were thirteen rolling and slitting mills, in which about 3,500 tuns of bar iron, principally from Russia, were annually rolled or slit. A portion was used for sheet iron, and nail rods for wrought nails; but two-thirds of the whole quantity of bar iron flattened by machinery in the United States, was used in the manufacture of cut nails, which had been extended throughout the whole country, and, being an American invention, substituting machinery for manual labor, deserved particular notice. The annual product of that branch alone, might be estimated at $1,200,000; and, exclusive of the saving of fuel, the expense of manufacturing cut nails was not one-third part of that of forging wrought nails. About 280 tuns were already annually exported; but the United States continued to import, annually, more than 1,500 tuns of wrought nails and spikes. An increase of duty on these, and a drawback on the exportation of cut nails, were generally asked for.

A considerable quantity of blistered steel, and some refined steel, were made in America, but the foreign importations exceeded 550 tuns.

The manufactures of iron consisted chiefly of agricultural

implements, and of the usual work performed by blacksmiths; to which might be added anchors, shovels, spades, axes, scythes, and a great variety of the coarser articles of ironmongery; but cutlery, and all the finer species of hardware and of steel work, were mostly imported from Great Britain.

At the two public armories of Springfield and Harper's Ferry, 19,000 muskets were annually made. About 20,000 more were made at other factories.

The value of all the iron and manufactures of iron annually made in the United States, the Secretary believed to be from $12,000,000 to $15,000,000. The importations, including bar iron and every description of manufactures of iron and steel, were estimated at about $4,000,000.

Of spirituous and malt liquors, there were imported during the years 1806 and 1807, 9,750,000 gallons of spirituous liquors, yielding a net annual revenue of $2,865,000; and only 185,000 gallons of malt liquors. The annual exportations of American beer and cider, were 187,000 gallons. The quantity of spirits distilled in the United States, was about 15,000,000 gallons; and the aggregate value of spirituous and malt liquors annually made, was estimated at not less than $10,000,000.

The Secretary also reported on the manufactures of wood, copper and brass, lead, gunpowder, plated and japanned wares, earthen and glass ware, household and several other manufactures, in most of which considerable progress had been made.

Calico printing had been attempted; but the manufacturers, without additional duties, could not stand the competition of similar foreign articles.

The annual product of American manufactures of all kinds, was presumed to exceed $120,000,000. And probably the raw materials used, and the provisions and other articles consumed, by the manufacturers, *created a home market for agricultural products nearly equal to that arising from the foreign demand.* Considering the abundance of land compared with the population, the high price of labor, and the want of a sufficient capital; the superior attractions of agricultural pursuits, and the great extension of American commerce during the late European wars;—all of which had combined to retard the progress of manufactures—the result was more favorable than might have been expected. Several of these obstacles, however, had been removed or lessened. The cheapness of provisions had, to some extent, counterbalanced the high

price of manual labor; and this labor was now, in many important branches, nearly superseded by the introduction of machinery. A great American capital had been acquired during the last twenty years; and the injurious violations of our neutral commerce, by forcing industry and capital into other channels, had broken inveterate habits, and given a general impulse, to which must be ascribed the great increase of manufactures during the last two years.

The revenue of the United States being principally derived from duties on the importation of foreign merchandise, these also have operated as a premium in favor of American manufactures.

No cause, the Secretary believed, had more promoted the general prosperity of the United States, than the absence of those systems of internal restrictions and monopoly which continued to disfigure the state of society in other countries. No law here confined a man to a particular occupation or place, or excluded any citizen from any branch he might think proper to pursue. Industry was free and unfettered; every species of trade, commerce, art, profession, and manufacture, being equally opened to all, without requiring any previous regular apprenticeship, admission, or license. Hence the progress of America had not been confined to the improvement of her agriculture, and to the rapid formation of new settlements; but her citizens had extended their commerce through every part of the globe, and successfully carried on even those branches for which a monopoly had heretofore been considered necessary.

The same principle had also accelerated the progress of manufactures, and must ultimately give, in that branch, a decided superiority to our citizens over those of countries oppressed by taxes, restrictions, and monopolies. It was believed that, even then, the only powerful obstacle against which American manufactures had to struggle, arose from the vastly superior capital of the first manufacturing nation of Europe, which enabled her merchants to give very long credits, to sell on small profits, and to make occasional sacrifices.

The information which the Secretary had obtained, was not sufficient to enable him to submit, in conformity with the resolution of the House, the plan best calculated to protect and promote American manufactures. The most obvious means were bounties, increased duties on importation, and loans by Government. Occasional premiums might be bene-

ficial; but a general system of bounties was more applicable to articles exported than to those manufactured for home consumption.

The present system of duties might be equalized and improved, so as to protect some species of manufactures without affecting the revenue. But prohibitory duties were liable to the treble objection of destroying competition, of taxing the consumer, and of diverting capital and industry into channels generally less profitable to the nation than those which would naturally have been pursued by individual interest left to itself. A moderate increase would be less dangerous, and, if adopted, should be continued during a certain period; for the repeal of a duty once laid, injured those who relied on its permanency, as had been exemplified in the salt manufacture.

Since, however, the comparative want of capital was the principal obstacle to the introduction and advancement of manufactures in America, the most efficient and obvious remedy seemed to consist in supplying that capital. The extension of banks might give some assistance; but their operation was limited to a few places; nor did it comport with the nature of banks to lend for periods so long as were requisite for the establishment of manufactures. The United States might create a circulating stock, bearing a low rate of interest, and lend it at par to manufacturers, on principles somewhat similar to that formerly adopted by the States of New York and Pennsylvania in their loan offices. It was believed that a plan might be devised by which $5,000,000 a year, but not exceeding, in the whole, $20,000,000, might be thus lent, without any material risk of ultimate loss, or without taxing or injuring any other part of the community.

During the session of 1811–1812, several petitions for protection were presented to Congress. One was from inhabitants of New Jersey engaged in the cultivation of hemp. They say: "Your petitioners have seen with regret and disappointment, that the state of affairs abroad, which has curtailed or annihilated almost every other branch of commerce, has greatly increased the importation of hemp, much to their individual prejudice, and (as they beg permission to show) to the material prejudice of the country generally."

Another petition was from iron manufacturers of the same State; who say: "While our commerce was undisturbed by the freebooters of Europe, our iron manufactories afforded us

a living profit. Of late, the large importations from Russia and Sweden, and consequent reduction of price; the diminution of commerce, and the great difficulty of making sale of our iron for cash, have so effectually embarrassed our operations, that really we know not what course to pursue."

A similar petition was presented from the New Hampshire Iron Factory Company, who had, as they said, "never realized one dollar for the use of their capital stock, of more than $100,000." They therefore pray, "that, when commerce is laboring under great embarrassments, from the oppressive measures of belligerent Powers, that Congress, in their wisdom, would extend their fostering aid and encouragement to American manufactures, by imposing heavy duties on all imported iron, hollow iron ware and shapes of various kinds, an abundant supply of which, with proper encouragement, may be cast in our own country."

Manufacturers of wrought iron and of steel, of the State of Pennsylvania, represent, in their petition, "That, in common with other citizens of the United States pursuing the same branches of business, they expected a reward, by a just and reasonable sale of their productions, for the expense and industry necessary to erect, carry on, and support, works of such public utility to the American people. That to their surprise, they find, that the subjects of those Governments or Kingdoms in Europe, who have endeavored to injure, if not to annihilate the commerce of the United States, are bringing into the American market their wrought iron, and endeavoring to undersell the American manufacturers of those articles, whilst the commerce of the United States is subjected, in those countries, to such restrictions, duties, risk, and danger, as nearly to destroy all the advantages the United States have any right to calculate on by commerce."

To appreciate the grievances of the petitioners, it is necessary to understand the history of our commercial embarrassments at that period. We have already noticed the embargo of 1807, and the partial non-importation act which followed. As the effect of the embargo, our commerce was almost annihilated; and great dissatisfaction prevailed. Not being permitted to export, agricultural labor was poorly rewarded; and manufactures were obtained, if at all, at very high prices. Such was the height to which the disaffection arose in the Eastern States, as to cause apprehensions that, if the measure should be persisted in, it would meet with violent resistance.

To mitigate the rigor of this restrictive policy, Congress, on the 1st of March, 1809, passed an act, since called the *non-intercourse law*, by which the embargo law was repealed, and all intercourse with Great Britain and France prohibited. The act, however, provided, that if either nation should so revoke or modify her edicts, as that they should cease to violate the neutral commerce of the United States—which fact the President should declare by proclamation—the trade suspended by this act and the embargo should be renewed with that nation.

In retaliation of the non-intercourse act, Napoleon issued a decree more sweeping in its operation on American property than any that had preceded it. Any American vessel and cargo entering any port of France or her colonies, was liable to be seized and sold.

The non-intercourse law having expired, Congress, on the 1st of May, 1810, passed a new act of a like nature, which provided that, if either Great Britain or France should, before the 3d of March, 1811, so revoke or modify her edicts, as that they should cease to violate our neutral commerce, and if the other nation should not, within three months thereafter, do the same, then the act interdicting commercial intercourse, should be revived against the nation refusing to revoke. It was from the effects of this policy that these petitioners prayed for relief.

To meet the expenses of the anticipated war with Great Britain, in addition to the loans which were authorized at this session, an act was passed imposing an additional duty of *one hundred* per cent. upon the permanent duties then imposed upon all goods imported from any foreign port or place ; in other words, *doubling the duties.* And to these, *ten* per cent. was to be added if imported in foreign vessels. An additional tunnage duty also, at the rate of $1,50 per tun, was required to be laid upon all foreign vessels entered in the United States, making such duty $2 per tun.

## CHAPTER IV.

Encouragement to manufactures recommended by President Madison. Petitions. Report of the Committee of Commerce and Manufactures. Report of Secretary Dallas. Bill reported by Committee of Ways and Means. Bill debated, and passed. Acts of 1817 and 1818.

THE peace of 1815, marks a new era in the history of the policy of this country. From the first organization of the Government under the Constitution, American industry had been more or less affected by special causes, both external and internal. A long war had existed in Europe; and during a large portion of this period, the United States had been involved in a commercial warfare with two of the most powerful of the belligerents, and for the last three years in a state of actual war with one of them. Laws had been enacted from time to time, which had, to a considerable extent, promoted the progress of manufactures. Much, however, must be ascribed to necessity. During the suspension of our commercial intercourse, the supplies of foreign manufactures were inadequate to the wants of the country, and much capital was turned into this branch of industry.

On the return of peace, the channels of our former foreign trade were reöpened. The double duties mentioned in the preceding chapter, which were to continue for one year after the termination of the war, were soon to cease, (February 18, 1816;) and the usual influx of foreign goods was anticipated. Our manufacturers, many of whom had just invested their capital in this business, were alarmed, and applied to Congress for protection.

The first session of Congress after the close of the war, which was the first session of the 14th Congress, commenced the 4th of December, 1815. At this session, the attention of the Government was naturally directed to the adaptation of its policy to our altered condition. The general peace of Europe, as well as that between the United States and Great Britain, demanded a change in our commercial regulations. Provision must be made for the payment of the public debt, which had been vastly increased by the war. Importations, it was foreseen, must largely augment our indebtedness to foreigners, and the more, because the peace of Europe would

greatly lessen the foreign demand for our agricultural products, and seriously affect our carrying trade. A similar state of things had not existed since the establishment of the present Government.

President Madison, in his annual message, thus recommended "a tariff on manufactures:"

"In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures will necessarily present itself for consideration. However wise the theory may be which leaves to the sagacity and interest of individuals the application of their industry and resources, there are in this, as in other cases, exceptions to the general rule. Besides the condition which the theory itself implies of a reciprocal adoption by other nations, experience teaches that so many circumstances must occur in introducing and maturing manufacturing establishments, especially of the more complicated kinds, that a country may remain long without them, although sufficiently advanced, and in some respects even peculiarly fitted for carrying them on with success. Under circumstances giving a powerful impulse to manufacturing industry, it has made among us a progress, and exhibited an efficiency, which justifies the belief that, with a protection not more than is due to the enterprising citizens whose interests are now at stake, it will become at an early day not only safe against occasional competitions from abroad, but a source of domestic wealth, and even of external commerce. In selecting the branches more especially entitled to the public patronage, a preference is obviously claimed by such as will relieve the United States from a dependence on foreign supplies, ever subject to casual failures, for articles necessary for the public defense, or connected with the primary wants of individuals. It will be an additional recommendation of particular manufactures, where the materials for them are extensively drawn from our agriculture, and consequently impart and insure to the great fund of national prosperity and independence an encouragement which cannot fail to be rewarded."

Many articles of domestic manufacture, household goods, &c., had been heavily taxed during the war. At this session, numerous petitions for the repeal of these taxes were presented; also petitions for protection to different kinds of manufactures, by duties upon the foreign, and especially upon coarse cottons. Two of these petitions were from manufacturers in Rhode Island and Connecticut. As their cases are

ably stated, some of their arguments will be read with interest.

They represent that they had, during the interruption of our foreign commerce, expended much money and labor, and put into operation extensive works, for manufacturing cotton goods. By means of their exertions and of the commodities furnished from these sources, the pressure of the late war was considerably alleviated. But from the difficulties attending the establishment of new branches of manufacture; the scarcity of persons properly qualified to superintend their operation; and the enormous compensation demanded by them; and the high price of labor throughout the country; they had not yet been remunerated for their expenditures, while the prospect which was just opening of a free importation of the same articles of foreign manufacture, threatened to crush their establishments, and sink the capital invested in them. Under these circumstances of impending ruin, they desire an absolute or virtual prohibition of the importation of foreign cotton fabrics of a coarse texture.

In favor of their claims upon the attention of the Government, they urge, that the establishments already erected in the United States are nearly or quite capable of supplying the demand for these fabrics for home consumption. They have afforded the means of employment to thousands of poor women and children, which the ordinary business of agriculture does not furnish them. They had supplied, at moderate prices, the demands of the country and the Government during the recent interruption of our foreign trade.

They had also assisted the Southern agriculturist by the consumption of some portion of that superfluous produce which had been deprived of its ordinary vent in the demands of foreign nations.

The petitioners suggested that the articles which might be subjected to large additional duties, or an absolute prohibition, were chiefly the production of countries lying beyond the Cape of Good Hope. They were manufactured, in a large proportion, of cotton of foreign growth, and thus discouraged a primary object of our own agriculture. They were not paid for with articles of domestic production, but occasioned a continual drain of the specie of the country. They were made of a very inferior material, and in a manner which made them a mere deception on the consumer. Nearly all Europe had legislated against them. They paid an *ad valorem* duty, and added but little to the resources of the Treasury.

They afforded employment to but a few tuns of our shipping, and would, in all probability, be hereafter introduced in the ships, or through the medium of a rival nation. It was by admitting those goods that England would not herself admit for home consumption, that we encouraged her to make conquests in India, by thus making them valuable to her.

Every nation with which we have commercial intercourse, had sought, by artificial means, to secure some peculiar advantage by favoring certain branches of commerce and certain articles of manufacture. France had more than six years since prohibited all cotton and cotton goods from beyond the Cape of Good Hope. England did not admit an article for home use that had the appearance of being manufactured, but gives a bounty to the exporter of her own manufactured cottons.

Another argument in favor of the petitioners was, that even the freest commerce was exposed to frequent interruptions. And while a nation is liable to be embarrassed by the hostile aggressions of others, it behooves such nation to guard its own vital interests. When we rely upon a foreign market for commodities of universal and necessary consumption, we receive only the surplus productions which they can spare, and subject ourselves to an absolute dependence upon their caprices or passions. Every nation, whose government had been wisely administered, and whose natural resources interposed no serious barriers to the attempt, had labored to place those objects upon which they depended for subsistence or defense, beyond the reach of accident or war, by encouraging their domestic production at any expense or sacrifice.

The domestic manufacture of cotton goods, the petitioners said, demanded such encouragement, for two reasons: First, the cultivation of cotton, as a product of agriculture, was an object of primary importance to a large and wealthy section of the country; secondly, the consumption of the coarser cotton fabrics extended so equally and universally, as to include every family in the United States. Unless the domestic manufacturing establishments should afford some vent for the productions of the Southern agriculturist, and afford an adequate supply for the extensive demands of a population of eight millions, any sudden interruption of our foreign commerce must produce disastrous consequences to the growers and consumers of the article in question.

It was apprehended by the petitioners, that some of the Eu-

ropean nations would, during the present year, pour in upon us a flood of goods, at reduced prices, and, if necessary, at a great pecuniary sacrifice, to crush our infant establishments; and thus obtain complete control over both our consumers and planters. They urged, further, that, at this period of general peace in Europe, every nation would become the carrier of its own articles of production and consumption; and that a large portion of our accustomed commerce must necessarily perish, and the means of discharging the enormous balance in favor of England would soon be exhausted by a total drain of specie from the country, already at a premium of fifteen per cent.

Commerce, agriculture, and manufactures, had become intimately connected, and, if duly and proportionably encouraged, would mutually assist and support each other. The internal and coasting trade, and the communication between the different and remote sections of the country would be substituted for an inconsiderable and injurious branch of foreign commerce, harmonizing their conflicting and jarring interests, and strengthening the bonds of mutual dependence.

The manufacturers residing in and near Providence, to show the extent and importance of the cotton manufacture in the United States, stated, that, within a circle of thirty miles from that city, there were not less than one hundred and forty manufactories, containing, in actual operation, more than 130,000 spindles, and capable of holding a much larger number, few of them having yet received their full complement of machinery. About 29,000 bales of cotton were spun in them annually, which, when manufactured into cloth of different descriptions, produced 27,840,000 yards; the weaving of which, at the average of eight cents, amounted to $2,227,200; and the value of the cloth exceeded $6,000,000. The number of persons employed in the manufacture was about 26,000. This estimate did not include the numerous classes of persons indirectly connected with the manufacture, and dependent thereon, such as those employed in furnishing the various kinds of machinery, in supplying the people with provisions and other necessaries, in transporting goods to and from the manufactories, together with those engaged in the coasting trade, in bringing the raw material and other commodities required for the use of the establishments, and in conveying the manufactures to market.

The sugar planters of Louisiana also petitioned Congress for encouragement. Before the acquisition of Louisiana, vast

sums of money had been lost to the United States in the purchase of sugar, rum and molasses, made in the East and West Indies, from whence alone those commodities were obtained. In time of war, supplies from thence were precarious; and the consumer could obtain those necessaries, if at all, only at extravagant rates. While enjoying the natural advantages for supplying the wants of the other States of the Union, they needed the fostering aid of the General Government.

On the 13th of February, 1816, Mr. Newton, of Virginia, from the Committee of Commerce and Manufactures, to whom the memorials and petitions of the manufacturers of cotton wool had been referred, submitted to the House a report, from which we give a few extracts:

Prior to the years 1806 and 1807, establishments for manufacturing cotton wool had not been attempted, but in a few instances, and on a limited scale. Their rise and progress were attributable to embarrassments to which commerce was subjected. While commerce flourished, the trade carried on with the continent of Europe, with the East Indies, and with the colonies of Spain and France, enriched our enterprising merchants; the benefits of which were sensibly felt by the agriculturists. When external commerce was suspended, the capitalists became solicitous to give activity to their capital. A portion of it was directed to the improvement of agriculture, and a considerable portion was employed in erecting establishments for manufacturing cotton wool.

The Committee give a few facts showing the rapid progress made in the business, and the ability to carry it on with success, should a just and liberal policy regard it as an object deserving encouragement:

In the year 1800, there were manufactured in the manufacturing establishments, 500 bales of cotton; in 1805, 1,000; in 1810, 10,000; and in 1815, 90,000.

The capital employed in the manufacture was..$40,000,000
Males employed from the age of 17 and upwards....10,000
Women and female children.....66,000
Boys under 17 years of age.....24,000
Wages of 100,000 persons, averaging $150 each, $15,000,000
Cotton wool manufactured, 90,000 bales,
amounting to.....lbs. 27,000,000
Number of yards of cotton of various kinds.....81,000,000
Cost per yard, averaging 30 cents.....$24,000,000

The rise and progress of such establishments can excite no wonder. The inducements to industry, in a free Government,

are numerous and inviting. Effects are always in unison with their causes. The inducements consist in the certainty and security which every citizen enjoys, of exercising exclusive dominion over the creations of his genius and the products of his labor; in procuring from his native soil, at all times, with facility, the raw materials that are required; and in the liberal encouragement that will be accorded by agriculturists to those who, by their labor, keep up a constant and increasing demand for the produce of agriculture.

Every State will participate in those advantages; the resources of each will be explored, opened, and enlarged. Different sections of the Union will strike into that line of industry which is best adapted to their interest and the good of the whole; an active and a free intercourse, facilitated by roads and canals, will ensue; prejudices generated by distance, and the want of inducements to approach each other and reciprocate benefits, will be removed; information will be extended; the Union will acquire strength and solidity; and the Constitution of the United States, and that of each State, will be regarded as fountains from which flow numerous streams of public and private prosperity.

The States that are most disposed to manufactures as regular occupations, will draw from the agricultural States all the raw materials which they want; and no small portion, also, of the necessaries of life; while the latter will, in addition to the benefits which they at present enjoy, always command, in peace or in war, at moderate prices, every species of manufacture that their wants may require. Should they be inclined to manufacture for themselves, they can do so with success, because they have all the means in their power to erect manufacturing establishments at pleasure. Our wants being supplied by our ingenuity and industry, exportation of specie to pay for foreign manufactures will cease. The proposed change of policy will be to the advantage of the United States. The precious metals will be attracted to them, the diffusion of which, in a regular and uniform current through the great arteries and veins of the body politic, will give to each member health and vigor.

In proportion as the commerce of the United States depends on agriculture and manufactures as a common basis, will it increase, and become independent of those revolutions and fluctuations which the ambition and jealousy of foreign Governments are too apt to produce. Our navigation will be quickened, and, supported as it will be by internal re-

sources never before at the command of any nation, will advance to the extent of those resources.

Of the advantages of labor-saving machinery, the Committee say: The United States require the use of this power, because they do not abound in population. The diminution of manual labor by means of machinery in cotton manufacture in Great Britain was, in the year 1810, two hundred to one. Our manufacturers have already availed themselves of this power, and have profited by it. A little more experience in making machines and in managing them with skill, will enable our manufacturers to supply more fabrics than are necessary for the home demand. Competition will make the prices low; and the extension of the manufactories will produce that competition. And as the operation of labor-saving machines requires few men, there need be no apprehensions that agriculture will be in danger of having its efficient laborers withdrawn from its service. On the contrary, the manufactories increasing the demand for raw materials, will give to agriculture new life and expansion.

The prospects of an enlarged commerce, say the Committee, are not flattering. Every nation, in times of peace, will supply its own wants from its own resources, or from those of other nations. When supplies are drawn from foreign countries, the intercourse which will ensue will furnish employment to the navigation only of the countries connected by their reciprocal wants.

The Committee, from the consideration they had given to the subject, were convinced that manufacturing establishments of cotton wool were of real utility to the agricultural interest, and contributed much to the prosperity of the Union; and they recommended an increase of duties on cotton goods imported.

On the 13th of February, 1816, the day on which the committee of Commerce and Manufactures made their report, the Secretary of the Treasury, [A. J. Dallas,] in obedience to a resolution of the House of the 23d of February, 1815, reported "a general tariff of duties proper to be imposed upon imported goods, wares, and merchandise." The report comprehended—

I. A view of the tariff and its incidents upon the Peace Establishment. Under this division of the report, the Secretary alluded to the act of Congress of July 1, 1812, imposing the double duties upon imported goods, with the addition of 10 per cent. to those duties if the goods were imported in

foreign vessels, and the additional tunnage duty of $1 50 a tun on foreign vessels; which act was about to expire; also to several other acts materially affecting the revenue.

II. A statement of the general principles for reforming the tariff, including the means of enforcing it. The tariff which he had reviewed, the Secretary said, originated in 1790, soon after the Federal Government was organized. Notwithstanding its various alterations during the long period of American neutrality, it had not been left in a state adapted to the present epoch. The peace of Europe would give a new course and character to the commerce of the world. The condition of the United States was essentially changed in population, in wealth, in the employment of labor and capital, in the demand of luxuries or of necessaries for consumption, and in the native resources to supply the demand. These considerations recommended the measure of revision and reform which were now contemplated.

The three great objects to be regarded in the establishment of a general tariff, were, 1st. The object of raising, by duties on imports and tunnage, the proportion of public revenue which must be drawn from that source. 2d. The object of conciliating the various national interests arising from the pursuits of agriculture, manufactures, trade, and navigation. 3d. The object of rendering the collection of the duties convenient, equal, and certain.

In discussing the first of these objects, the Secretary, adopting the estimate of the Committee of Ways and Means, states the annual revenue to be raised for the service of the Government, in round numbers, at $24,000,000. As it was contemplated to abolish the duties on furniture and watches, domestic manufactures, and distilled spirits, and essentially to diminish the direct taxes, all of which had become necessary during the war, it would be necessary to raise by duties on imports about $17,000,000, which was about the sum required to meet the annual demands of the Peace Establishment; leaving about $7,000,000 to be annually raised by internal duties and taxes, and from the sales of public lands, for the payment of the public debt.

In relation to the second of these objects, the Secretary says: The interests of agriculture require a free and constant access to a market for its staples, and a ready supply of all the articles of use and consumption on reasonable terms: but the national interest may require the establishment of *domestic in preference to a foreign market, and the employment of a*

*mestic in preference to foreign labor*, in furnishing the necessary supplies. And again, the interests of foreign commerce flourish most when foreign commerce is the only medium to convey the natural product of a country to a market, and to provide for all the wants of the people in the fabrics of the manufacturer and the artist; but the national interest may require (contemplating equally the state of peace and the state of war) that the people should be as independent in the resources of their subsistence, as in the operations of their Government. It must, however, be the aim of every just system of political economy, to secure the national interest with as little prejudice as possible to the peculiar interests of agriculture and of commerce.

Most Governments regard the establishment of domestic manufactures as a chief object of public policy. The United States have so regarded it. But it was during the period of the restrictive system and of the war, that the importance of domestic manufactures became conspicuous to the nation, and made a lasting impression upon the mind of every statesman and patriot. The weapons and munitions of war, the necessaries of clothing, and the comforts of living, were at first but very scantily provided. Our market seemed for awhile to be converted into a state of gambling and extortion; and it was not the least of the evils generated by the unequal state of supply and demand, that an illicit traffic with the enemy, by land and by water, was corruptly prosecuted from the commencement to the close of the war.

From these circumstances of suffering and mortification have sprung, however, the means of future safety and independence. American manufactures, particularly those which have been introduced during the restrictive system and the war, owe their existence exclusively to the capital, the skill, the enterprise, and the industry of private citizens. The demands of the country, while supplies could not be obtained from abroad, may have afforded a sufficient inducement for the investment of capital, and this application of labor; but the inducement, in its necessary extent, must fail when the day of competition returns.

The Secretary divided the different manufactures into three classes, according to the degrees of progress they had respectively made, or of strength they had acquired, and the degrees of protection they severally needed.

The means of enforcing the tariff; that is, of rendering certain the collection of the duties on imports, or, in other

words, the means of preventing or detecting frauds upon the revenue, require prompt and steady attention. The Secretary mentions several ways of committing these frauds, against which remedies were to be provided. One of these is by smuggling. Another is, in the case of duties *ad valorem*, by fraudulent entries of merchandise upon fictitious invoices. To some readers this may need explanation. By a secret understanding between the foreign manufacturer or merchant and his agent, or the importer here, the goods are invoiced or *billed* at lower than the actual prices; so that, when an *ad valorem* duty, or per centage is charged upon the "fictitious" price of an article, the Government suffers a proportionate loss. Hence the propriety of charging, so far as may be, *specific* duties, which are duties of a certain, specified amount upon articles; as ten cents a gallon, one dollar a yard, three cents a pound, &c.

III. A general tariff proposed for the consideration of Congress. Under this head, the Secretary gave schedules of articles to be imported duty free, of those to be charged with duties *ad valorem*, and the rates at which they were to be respectively charged, and of those to be charged with specific duties, and the amount of duty to be charged upon them.

On the 20th of March, a bill to regulate the tariff, previously reported to the House by the Committee of Ways and Means, was taken up and the debate on the same commenced. This bill differed somewhat in its details from the report of the Secretary of the Treasury. Perhaps the duty on no other article was so fully discussed as that on coarse cotton cloths. The Secretary had recommended a duty of 33⅓ per cent. on cotton manufactures of all descriptions, with the proviso, "that all cotton cloths, or cloths of which cotton is the chief material of value (except nankeens imported directly from China,) the original cost of which, at the place whence imported, shall be less than 25 cents per square yard, shall be taken and deemed to have cost 25 cents per square yard, and shall be charged with duty accordingly." On woolen manufactures he had recommended a duty of 28 per cent. But the bill provided a duty of 25 per cent. on all woolen and cotton manufactures.

As the debate on this bill embraced the subject of protecting duties generally, and as it is presumed that the views of American statesmen upon this subject at a comparatively early period in the history of the tariff, will be read with interest, we present an abstract of the proceedings in the House, and of some of the principal speeches on the bill.

Mr. Strong, of Massachusetts, proposed to strike out the 25 per cent. on woolen and cotton manufactures, and substitute 33½ per cent. on cotton cloths, and 28 on woolen, as recommended by the Secretary.

Mr. Lowndes, of South Carolina, Chairman of the Committee of Ways and Means, who reported the bill, replied in support of the system proposed by the bill.

Mr. Strong, the next day, withdrew his motion; and

Mr. Clay, of Kentucky, moved to increase the duty on cottons to 33½ per cent. He wished to try the sense of the House as to the extent to which it was willing to protect domestic manufactures—assuming that there was no difference of opinion on the propriety of such protection, but only on the degree to which encouragement should be carried. He advocated a thorough protection by ample duties.

Mr. Smith, of Maryland, replied to Mr. C., and argued against the proposed increase of duty. He was in favor of protecting domestic fabrics, but differed from Mr. C. as to the extent of that protection.

Mr. Lowndes followed in reply to Mr. Clay, and defended the bill as reported by the Committee. Mr. Clay's motion was lost.

Mr. Pickering, of Massachusetts, with the view of substituting an *ad valorem* duty, moved to strike out the clause which required cloths costing less than 25 cents to be taken to have cost 25 cents, and to be charged with duty accordingly. This motion gave rise to further debate, in which the expediency of protecting duties and their extent were discussed at length. It was supported by the mover, and opposed by Messrs. Taylor, of New York, Lowndes, and Strong, and negatived—only ten rising in its favor.

Mr. Clay then renewed his motion in a modified shape, by proposing to extend the duty on cotton goods to 30 per cent., and advocated the motion at length, by replying to the arguments of others, and entering largely into the expediency of protecting our own manufactures.

Mr. Robertson, of Louisiana, replied to Mr. Clay and others, and defended the report of the Committee, as proposing ample protection.

Mr. Ingham, of Pennsylvania, followed in support of Mr. Clay's motion. Having been a member of the Committee who reported the bill, and having had the misfortune to be in the minority when some very important principles had been decided by that Committee, he thought it his duty to submit

some of the views that had occurred to him in the course of the discussion. He did not intend to discuss at large the policy of the Government in encouraging manufactures, but should endeavor to confine himself to a consideration of the objections that had been urged against the motion before the House, which he understood, by the general course of the arguments, to be—

1st. That the amount of duty proposed was incompatible with the fiscal policy of the Government.

2d. That the high duties on imported cotton and woolen goods would injure the navigating interests of the United States.

3d. That we ought to confine our protection of manufactures to articles of indispensable necessity in time of war, and to articles of first necessity in time of peace.

As respected the revenue question, Mr. I. said, he had not expected to see the discussion take this direction, because the great principle involved in the bill was not a revenue proposition. Congress had already provided by law for all the revenues demanded by the exigencies of the Government; and the only relation which this bill could have to the revenue was the general limit of the aggregate of the duties to be imposed. Its great, primary object was to make such a modification of duties as would give due protection and support to the agriculture, manufactures, and commerce of the country. The revenue is only an incidental consideration, and ought to have no influence in deciding the proposition before the Committee. With a view to these great objects, is it not the policy of the Government to insure to its agriculture the advantage of *a home market, that can not be affected by the caprice or vexatious impositions of foreign nations*? The principal raw materials used in our manufactories have become great staples of the country, the value of which would be greatly increased by a demand for them at home, as well as many other articles that can not now find a market any where else.

But the manufacturing interests are vitally concerned in this bill and its details. It is believed that not less than $100,000,000 have been invested in manufactures within the last eight or ten years. These furnish, in times of prosperity, profitable employment to many thousands of persons who could procure subsistence in no other way. They consume vast quantities of the products of the country, and create a demand for raw materials which are imported from abroad

to an extent not easily believed by those who have no practical acquaintance with the facts. They supply substantial fabrics for the convenience and comfort of the people which they can pay for with their surplus products, and contribute to the completion of by their labor. The revenue question must therefore be regarded as a minor consideration, even if it had been shown (which it has not) that the proposed duty would yield either too much or too little revenue. Mr. I. considered the bill as involving a great principle of national policy—a measure intended to increase their comfort, happiness and wealth, and, as a necessary consequence, to increase and perpetuate the security, the peace, and especially the independence of the nation.

It has been said, that the promotion of manufactures would injure our navigation and commerce, though he had heard no attempt to prove the allegation. What, asked Mr. I., is the present condition of our navigation? Totally excluded from the British West Indies, and the carrying trade divided among the Powers of Europe—and this must continue as long as they remain at peace. But for the late treaty, we could not have carried our own cotton to its principal market. Many of the products of the Middle States find no market abroad. And can our navigation be preserved by encouraging the importation of cotton and woolen goods, which, in many States, we have not the means of paying for, the balance of trade being already decidedly against us? We must seek for some more certain employment for our shipping, that can not be affected by the navigation acts of other nations. This can only be found in our *coasting trade*, which must increase with our population, and will be promoted by every pursuit that increases the intercourse between the States on our maritime frontier; and it is the only trade exclusively our own. Manufactures contribute to this object; particularly that of cotton, the raw material being produced in one extreme, and the fabrics made in the other; tending also to bind the States by the indissoluble bonds of interest and mutual dependence.

Another source of employment for our navigation is the trade with South America, which must essentially depend upon the success of our manufactures. We shall require from thence a great variety of raw materials; and the profit we make by working them will enable us to purchase European goods with which to pay for them. Many articles that we make have already found a vent in that country; and

this trade must increase with the increase of our manufactures.

But it has been said, the East India trade will be destroyed, and hence our navigation diminished in that branch of our commerce. This, Mr. I. said, had been too strongly assumed. Yet, if we must either abandon our manufactures or the East India trade, the latter ought to give way, being the less valuable to the nation; for if, according to the estimate of the gentleman from Maryland, forty ships are employed in it, and its continuance depends upon the importation of muslins for domestic consumption, we shall find the trade rather an unprofitable one in the present state of the world. The average cargo of an India ship is 1000 bales of 1800 yards each—1,800,000 yards for each ship, and 72,000,000 yards for forty ships. These goods will require 18,000,000 pounds of cotton, which are exclusively of foreign growth; and the cost of the goods, at 9 cents a yard, will be $6,480,000, which we can not pay for in the products of the country. Without some protection against the introduction of these fabrics, our manufactures must sink. No nation in Europe pretends to compete with the manufacturers of India. Their goods are often sold in the United States for less than they could be woven for here. Where cotton can be bought for four pence a pound, and men work for four pence a day, it is in vain for us to think of rivaling them in the cheapness of their fabrics. The protection asked for is not, therefore, an unreasonable one.

Nor will this protection destroy the Indian trade. We import from India various other articles, silks, spices, drugs, dyes, &c.; and the China trade is not affected by the bill. Besides, the India goods can be reëxported as well as heretofore; and no part of the trade can be sensibly affected by the minimum price fixed for the charge of duties,* except that which is employed in importing coarse muslins for consumption.

But the trade to India is almost wholly a cash trade, and can be carried on only by the profit of our trade with other countries. Commerce between nations resembles traffic between individuals; and by this assimilation, many of its

*The terms, "minimum," "minimum price," &c., which frequently occur in tariff debates, are probably not understood by every reader. The word *minimum* signifies the least quantity assignable in a given case. As, by this bill, all cottons, though costing less than 25 cents, are to be considered as having cost 25 cents a yard, that is the *least or minimum price* on which the per centage duty is to be charged.*

supposed mysteries will vanish. A farmer who barters with a merchant, and furnishes him no more products than to pay for the merchandise received, will have neither cash nor credits with which to make purchases from a cash merchant, however cheap he may offer his goods. We must therefore trade, in the first instance, with nations who will purchase our products; and it is not very material what the price is, provided it bears the same relation to the goods sold and bought. If we derive a profit from this trade, the balance can be used in purchasing merchandise from India. But we have no such balance now in our favor, nor is it likely that we shall have, until we determine to pay up, and manufacture more for ourselves.

But it is urged that our encouragement to domestic manufactures ought to be confined to fabrics of necessity in time of war, and especially articles of the first necessity. Mr. I. said this doctrine had always appeared to him as a plausible theory, not founded in sound policy. Nor did he think it would bear the test of reason and experience. As to necessaries in time of war, scarcely two persons would entirely agree as to what were, and what were not, articles of necessity. Almost everything we import was esteemed necessary for our comfort; but no one pretends that we ought to impose heavy duties to encourage the growth of products or the manufacturing of fabrics which neither our climate nor the habits of our people had indicated our ability to produce. For instance, it would not avail us to lay a heavy duty on coffee, when our climate will not permit the propagation of the plant; nor was it policy to impose heavy duties on fabrics which our people had neither the ability nor disposition to manufacture. The rule laid down by the honorable gentleman then fails; and our policy ought not to be governed by it.

But there is a principle that will not fail, viz.: That we ought to promote every species of internal industry to which the inclinations and habits of the people, as well as the soil, climate, and general conditions of the country appear to be adapted, and especially those pursuits in which experience has shown that we can succeed. And as to articles of first necessity, the same difficulty exists. The great object of the Government ought to be to promote the prosperity and happiness of the people. Its policy in relation to manufactures must be a great national policy, and ought not to be limited by fastidious calculations of sheer necessity. This doctrine

of first necessity is fallacious: its design seems to be to limit the manufacturing industry of this country by an artificial distinction that has no existence in reality. The only rule that admits of no exception, is that which has been already laid down. It is the province, and almost an essential quality of despotic Governments, to force industry out of its natural and proper channels, or to cramp it by monopolies. But it is the duty of a Republican Government, having a due regard to the welfare of all the people, to encourage every pursuit (not morally wrong) in which the conditions of the country and the inclination and capacity of the people may authorize a reasonable hope of success.

After several motions to amend the clause under consideration, without a vote having been taken,

Mr. Smith, of Maryland, to protect the great quantity of machinery erected in different parts of the country for rolling and slitting iron, moved to increase the duty on imported iron in sheets, rods, and bolts, from 150 to 250 cents per hundred weight.

The motion was supported by Messrs. Irving and Root of New York, and Condict of New Jersey, and carried without a division.

Mr. Smith then moved to increase the duty on lump and loaf sugar to 18 cents a pound—believing the manufactories now established to be fully able to supply the whole country, and the duty proposed by the bill to be insufficient to protect them against foreign competition. But Mr. S. afterwards gave way to

Mr. Huger, of South Carolina, who moved to strike out the proposed duty of 4 cents a pound on brown sugar, and filling the blank with 2½ cents, believing the latter sufficient.

Mr. Robertson, of Louisiana, opposed this motion at length. The State of Louisiana, he said, from its happy climate and fertile soil, was competent to furnish the United States with all the sugar they required; but to do it with certainty, and within a short time, some encouragement was indispensable. He opposed the reduction also because it would strike off about $900,000 from the receipts of the treasury.

The motion was further opposed by Messrs. Lowndes and Calhoun of South Carolina, and Wilde, of Georgia, and supported by Messrs. Sheffey of S. C., Milnor of Pa., Pickering of Mass., and Pitkin of Conn.

The question on striking out 4 cents was carried: Ayes, 62; Noes, 55.

Mr. Pitkin moved to fill the blank with 3 cents.

Mr. Forsyth, of Georgia, proposed 5 cents. Sugar, he said, would be cultivated extensively in Georgia, if properly encouraged by the Government. He protested against the injustice of taxing the South to support the manufactures of the East, and yet denying to the South any security for their manufactures in return.

The question on 5 cents was negatived

A motion of Mr. Clay to fill the blank with 3½ cents, was carried, 64 to 58.

Mr. Smith renewed the motion which he had made and withdrawn, to increase the duty on lump sugar to 12 cents and on loaf to 15 cents a pound, which was carried: Ayes, 56.

Mr. Webster also renewed a motion which he had on a previous day made and withdrawn, to strike out the proposed duty on imported cottons, and to substitute the following: "For two years next ensuing the 30th of June next, a duty of 30 per centum *ad valorem;* for two years to commence at the termination of the two years last aforesaid, a duty of 25 per centum *ad valorem;* and after the expiration of the two years last aforesaid, a duty of 20 per cent. *ad valorem.*"

Mr. Clay moved to amend the amendment so as to continue the 30 per cent. duty three years, and reduce the second period of two years to one year. Now is the time, said Mr. C., for encouragement. The domestic manufacturer has to struggle more at the end of a war; and at that moment the greater aid is necessary to support him against foreign competition. If the amendment he offered prevailed, four years would still reduce the duty to the minimum proposed by Mr. Webster's motion, and would give to our own manufacturers an adequate protection at the time of the greatest difficulty.

After considerable further discussion, Mr. Clay's motion was negatived: Ayes, 47; noes, 61; and then Mr. Webster's amendment was agreed to.

Mr. Burnside, of Pa., moved to increase the duty on imported iron in bars, &c., from 75 to 125 cents per hundred weight. This was opposed by several gentlemen.

Mr. Condict, of N. J., moved to raise the duty to 150 cents per hundred weight.

After an extended discussion of the question, in which it was argued on one side that our iron factories required additional encouragement; and on the other, that it was already a profitable pursuit, by which large fortunes were made;

that if it could not now do without so high a protection, it would always require it; that the duty in the bill was three times the former duty, under which iron factories were established to great advantage—the amendment was rejected.

Mr. Strong, of Mass., moved to reduce the duty on imported iron from 75 to 50 cents per hundred weight.

Mr. Ross, of Pa., supported the motion. He wished that the ambassadors from the cotton factories had at once made a treaty with the Committee of Ways and Means, which the House might have swallowed, and have left the other manufactories to themselves, and not be burdening the people in every possible way, under the plea of protection.

Mr. Webster also advocated the motion, chiefly on the ground of the great navigation the iron importations employed to the Baltic.

It being suggested that this motion had been already decided several days ago, Mr. Strong varied it by moving 37½ cents; which was negatived: Ayes, 45.

Mr. Webster then moved 45 cents, which was carried: Ayes, 62; noes, 43.

On motion of Mr. Ingham, of Pa., the duty on unmanufactured wool was reduced from 15 to 7½ per cent. *ad valorem*. When, afterwards, in the House, the question on agreeing to the amendment of the Committee of the Whole, was put—

Mr. Root, of N. Y., opposed the amendment, as leaving the country open to foreign competition in an article the increase of which it was so important to encourage. He hoped the House would not agree to the amendment reported by the Committee, and demanded the yeas and nays.

The amendment was agreed to: Yeas, 73; nays, 42.

It may not at first view appear to every reader, why a consistent friend of protection should vote for a low duty on wool, as the more zealous protectionists did in this case, and have done since. The reason is this: If the duty on the raw material should be equal to, or higher than the duty on the goods manufactured, the wool would be imported in its manufactured state; and the high duty would encourage the foreign instead of the domestic manufacturer, without increasing the demand for the raw material. But to insure a market for American wool, it is necessary to encourage the home manufacture by a duty on the raw material so low as to enable the manufacturer to obtain his supplies at a moder

ate price. This subject will be brought to view more prominently in the discussions of future tariffs.

Our sketch of the proceedings of the House upon the tariff of 1816, necessarily brief, and confined to a very few of the numerous articles embraced in the bills, can not be further extended, otherwise than to present the views of some of the leading speakers on the general question of protection.

During the consideration of the duty on cotton cloths,

Mr. Telfair, of Georgia, said, on the subject of impost he held it a sound general rule, that no other or higher duties should be laid than were both necessary and proper for the purposes of revenue. The attempt necessarily increases inducements to smuggling. If the encouragement of manufactures were the object, it was, in effect, to plunge on the wide ocean of uncertainty, guided by factitious lights emanating from the selfishness alone of those who tender them, and which never can be relied upon for the purposes of wise legislation. He said it was wise, in imposing duties for revenue, so to select objects that, while the original intent is secured, the interest of the manufacturer may be regarded as an *incidental* consideration. But the present measure, instead of making protection a secondary or collateral, makes it the *primary* and *essential* cause of legislation. This had, in the whole course of the discussion, been placed in the foreground, as the principal object for which so enormous a tax was to be laid upon the people of this country—a tax, the proceeds of which, so far as it meant protection, were never to enter the coffers of the nation, but, by a species of magic, transferred from the hands of the consumer into those of the manufacturer—paid by the people, indeed, but not for the purposes of Government.

The support of this bill, said Mr. T., rests upon two considerations. First, it is urged that the course of measures pursued by Government for some time previous to and during the war, had the tendency of a pledge of support. Is it to be held that, if the Government, in the pursuit of some important object, shall pursue a course of measures, the indirect and undesigned tendency of which shall be to foster any particular species of industry, that thence it derives a claim to future protection, even at the expense of all others? A change from peace to war necessarily injures commerce and agriculture; a return of peace alike injures those institutions which grow up amid the circumstances of war. Is the nation, after all these changes and effects, to hold itself as bound to

compensate the losses of those who may have suffered? But it may be said that the manufacturing class constitutes so small a portion of the community, that, while public policy requires it, they may be sustained by less injury to the others and less expense to the Government, and therefore they should be upheld. It is unsafe to legislate for particular interests. Did not the interest of the merchant and the planter suffer under the causes which cherished the manufacturer? While the latter was accumulating wealth, were not the former consuming their capital? And because they now begin to derive a profit, is it wise and just in us to rob them of it by increasing the cost of articles of consumption, merely to contribute such a bounty to the manufacturer equal to his accustomed profits?

And upon what evidence are you about to award the protection asked for? We are told by the persons interested, that, without some aid from the Government, they could not sustain the shock of foreign importations which threatens to overwhelm them. They exhibit no particular statements, but in general call for duties, almost amounting to prohibition. But in your munificence, you are about to allow, by way of bounty, five per cent. more than is required for revenue upon cottons and woolens, which is as much as the duties during the war, and one hundred per cent. more than those prior to the war. In words, you are called upon for protection; but what are the ideas involved in this phrase? Why, that the planter of this country, who consumes the article manufactured, shall be made to pay the difference between the wages of labor in the factory and field, together with the difference of profit which superior skill in the foreign manufacturer gives over the manufacturer of this country. In one word, all articles are made dear to the consumer, whether of foreign or domestic fabrication, merely that the manufacturer may derive a profit upon his capital. Is the agriculture of the country sufficiently thriving to make this sacrifice?

But the second consideration, and that most relied on, arises from the policy of other nations, and promises a more permanent security to the independence of this people. Imposing, indeed, is such a ground of argument; and if the independence of this nation either required or could be guarantied by this bill, abhorrent indeed would be all opposition to it; but believing that the liberties of this people and the independence of this Government, rest on a basis too firmly

laid in their very genius and nature to require such protection, I, for one, will not consent to the measure proposed. You are about to abjure that principle which was peculiarly your own, and the offspring of freedom, of leaving industry free to its own pursuit and regulation, and to assume to yourself the capacity and right of judging and dictating that labor which is wisest and best for the people of this country. The extent of territory, the exuberance of our soil, the genius of our people, the principles of our political institutions, have in their combination decreed, as by a law of nature, that, for years to come, the citizens of America shall obtain their subsistence by agriculture and commerce. And we, in our wisdom, would fain issue a counter order, to withdraw industry from its natural and accustomed channels, and, by our laws, force into a state of prematurity the manufacturing enterprise of this country.

But we are told it would be idle, weak, and absurd in us, while all Europe is devising plans for encouraging manufactures, to let them stagnate for want of national aid. To this I answer, that such are the profits and enjoyments flowing from labor in the ordinary pursuits of life with us, that you can not draw off the citizen, and tempt him to a new and less active pursuit, without robbing from the national wealth a considerable portion which is thrown in to make up his profits. Is not, then, the productive labor of the country thereby diminished? Has not a portion of it been thrown away, unless some great benefit is derived from this new direction of industry? And is the policy of other Governments to be urged as sufficient justification? It must be borne in mind, that the circumstances of our country are totally different from those of Europe. There, a crowded population makes it an object of real national importance to discover means of employment for the many hands which would otherwise cumber society. With us, the case is widely different. Here every hand would find employment in tilling the earth; and the calls of society are sufficient, without bounty, to give occupation to such as prefer other employments to those of agriculture. And every occupation which requires the aid of bounty, contains within itself a proof that it is not productive of national wealth, though it may be of national glory.

Mr. Gold, of N. Y., said: The situation of the district which I have the honor to represent, the numerous petitions committed to me by my constituents to be presented to this House for relief under pressing embarrassments, make it my

duty to address the House on this occasion. It is not a distinct class of manufacturers who have petitioned Congress for relief: almost all classes, and principally the farmers, have embarked in the manufacture of woolen and cotton, and now pray at your hands the protection of their interests put in jeopardy. Let not any gentleman be alarmed by the apprehension that a general system of manufactures is about to be introduced; that this country is now to attempt the manufacture of the almost endless list of goods contained in the importer's invoice; no, sir; that is not the question; but simply, will you uphold the present manufactures of woolen and cotton against the inundation of foreign fabrics, coöperating with the unexampled price of cotton, to their destruction?

The manufactures in question are, in the language of the President, who has in his message so strongly recommended them to the protection of Congress, of primary want or necessity. They are indispensable to the community; and whenever the country shall be involved in war with Great Britain, (from whom we receive our supplies, and with whom the relations of peace and trade are greatly exposed to interruption,) the same disgraceful scenes of smuggling, fraud, and perjuries, will be reacted. This event is inevitable; there is no other resort; if the country does not furnish the goods, they will be procured from abroad. It is no light consideration, that our country supplies the raw material of both wool and cotton, while the former, and about one-half of the latter, which enters into the manufacture of imported goods, are of foreign growth, and much of the cotton of an inferior quality.

Arkwright's machinery has produced a revolution in the manufacture of cotton. The invention is so excellent, the effect in saving labor so immense, that five or six men are sufficient for the management of a factory of two thousand spindles, spinning one hundred thousand pounds of twist of yarn yearly. The other hands are mere children, whose labor is of little use in any other branch of industry. The nation which does not avail itself of this machinery, and pays another nation for fabrics produced by it, sacrifices, in the situation in which the United States are now placed, the entire value of the abridged labor saved by the machinery. It is a maxim of political economy laid down by Sir James Stewart, that "a nation ought to restrain, by duty on importation, that which may be produced at home, and to manufacture as much as possible of the raw material."

The same writer says, that a *new manufacture* can not be established without encouragement, without restraint on importation. Old establishments in possession of the ground, in possession of capital, extended machinery, and the fruits of experience in skill and economy, actuated by a *jealousy* against rival establishments rising into competition which never sleeps, never did cease, in any age or country, to exert their undivided force upon these rival establishments, and for a time to make sacrifices in the sale of their goods. The Government itself often lends itself, by bounties on exports, to such unhallowed designs upon the manufactures of other nations, where these nations have, as in the case of the United States, been long the great customers of such Government and the consumers of its fabrics. [In proof of this charge, Mr. Gold referred to the authority of Secretary Hamilton and several British writers and statesmen. He also referred to the course of the East India Company, who actually reduced the prices of their goods more than 20 per cent., for the purpose of underselling and ruining the British manufacturer.]

This same East India Company, said Mr. G., is now raising the same weapon against the American manufacturers, aided in this by Great Britain, which that Company wielded against the British in 1787, and the effect in prostrating them is as certain. If the British factories could not stand against the East India importation, how can the American? The present ruinous state of our cotton factories, and the fact that many of them are wholly suspended, others partially, must be known to many members of this House who have no concern in the establishments. He who listens to and acts upon suggestions to the contrary, will hereafter experience deep regret.

I proceed to notice some objections to encouraging manufactures. It is said that "industry ought to be left free to its own course." Now, sir, this is true or false, according to circumstances. Like most maxims, it is to be received with qualifications and exceptions. If other nations adopt the rule, it is generally true; but if a nation like Great Britain shall swell her negotiations on manufactures into a system —into volumes—secured by severe penalties, assuming to manufacture for the world, and excluding the manufactures of all the world; if this great policy is pursued with a steady eye from century to century, by which a wealth and power is acquired that no nation of so small territory ever attained, does the maxim apply?

So severe was the regulation in Great Britain, that cloth of foreign wool was by statute, in the reign of Henry II., required to be burned. All attempts to transfer her artisans or the instruments of manufacture to other nations are severely punished. At times a bounty is given on the export of goods, as well as on the import of the raw material. As to India cotton fabrics, the admission for consumption is prohibited in France, Holland, and other European Governments, as well as by Great Britain.

Agriculture is certainly the great and favorite theater of industry in the United States, and, so long as our surplus products can find a good foreign market, it should be the first object. But how is the fact? With the exception of a period of war, no such market is found; and the grain of our country beyond consumption must rot in the granary. Lord Sheffield, in his American Commerce, states, that there never was a good market for American flour and wheat for more than three or four years. Though Europe is not recovered from the shock of war, yet Great Britain is now giving a bounty on the export of grain. Where can the United States now look for a market for their grain equal to that at home?

No friend of his country can look at the enormous importations of goods into the United States the past year, without concern. The British accounts give 30 millions sterling, [above $130,000,000,] as the amount of her export of goods to the United States, while our whole export to Great Britain is 21 millions only. Is it possible to see such a course of trade in any other light than as most ruinous to the country? "If the balance of trade be against a nation, it is her interest to put a stop to it," is the language of Sir James Stewart. The United States can not continue this course of trade half a dozen years without ruinous consequences. . . . . The balance against the United States was reïmbursed by the favorable trade with the West Indies and other ports, which are now in a great degree closed against us. The British Government appears at length to have adopted a new course of policy, by which the United States are to be excluded from the commerce of the British West Indies; and resort is to be had to the Canadas and New Brunswick for supplies for the West Indies. Hence, very heavy duties are laid on the admission of cargoes in American ships; and our commerce is to be hedged in on every side.

The importation of cotton goods into the United States

from the British possessions, has been much greater than is generally supposed. In each of the years 1806 and 1807, it was from England $19,000,000; from Scotland and Calcutta, about $5,000,000. During the last year, the importation must have been nearly double this amount.

It is further objected, that our manufacturers will extort extravagant prices; and the prices during the last year are referred to in support of the objection. Is this charge against the manufacturers just? Does not every member of this Committee know that the charge applies equally against all classes during the war? Did not the merchant who had cloths on hand profit equally by the times? Did he not impose 100 per cent. on his peace importation? Was not the settled order of things unhinged by the war? and did not all classes exact the most extravagant prices? If the manufacture of cottons were a mystery, confined to a few, there might be foundation for the objection; but the fact is, the manufacture is simple—machine makers are greatly multiplied—and the manufacture is now actually spread over more than half the United States. It began in the East, has spread to the West, and has now actually passed the mountains. Instead of concert to raise prices, competition and the spirit of underselling prevail to such an extent, that sales are often made without a profit.

Justice to different portions of the Union, and the harmony of the whole, require the encouragement of manufactures. While the South has, from the export of her cotton and tobacco alone, received about 30 millions the last year, the Northern and Middle States, having no such great staples, must of necessity turn their attention to manufacturing, or become greatly impoverished, to the injury of the whole. The relinquishment of the port duties by the Northern and Middle States, to the amount of nearly three-fourths of the customs, by the adoption of the Constitution, creates an equitable claim to such an adjustment of the duties, as shall favor and protect the interest of those States.

The cotton section having been amended so as to make the duty 25 per cent. for three years, and 20 per cent. thereafter,—

Mr. Randolph, the next day, moved to strike out so much of the proviso of this second section as fixes the minimum price of cotton goods (except nankeens direct from China) at 25 cents per square yard. He was willing to encourage as far as was proper, those manufactures of cloths conducted

in the families of our citizens, and argued against the propriety of promoting the manufacturing establishments to the extent and in the manner proposed by the bill, and against laying up 8,000 tuns of shipping now employed in the East India trade, and levying an immense tax on one portion of the community to put money into the pockets of another.

Mr. Calhoun, of S. C., said: The debate heretofore on this subject has been on the degree of protection which ought to be afforded to our cotton and woolen manufactures; all professing to be friendly to those infant establishments, and to be willing to extend to them adequate encouragement. The present motion assumes a new aspect. It is introduced professedly on the ground that manufactures ought not to receive any encouragement, and will, in its operation, leave our cotton establishments exposed to the competition of the cotton goods of the East Indies, which, it is acknowledged on all sides, they are not capable of meeting with success, without the proviso proposed to be stricken out by the motion now under discussion. Until the debate assumed this new form, he had determined to be silent. But on a subject of such vital importance, touching, as it does, the security and permanent prosperity of our country, he hoped the House would indulge him in a few observations. He regretted much his want of preparation; but whatever his arguments might want on that account in weight, he hoped might be made up in the disinterestedness of his situation. Coming, as he did, from the South, having in common with his constituents, no interest but in the cultivation of the soil, in selling its products high, and in buying cheap the wants and conveniences of life, no motives could be attributed to him but such as were disinterested.

The security of a country mainly depends on its spirit and its means, and the latter principally on its moneyed resources. He took it for granted that it was the duty of this body to adopt those measures of prudent foresight which the event of war made necessary. We can not, he presumed, be indifferent to dangers from abroad, unless, indeed, the House is prepared to indulge in the phantom of eternal peace, which seemed to possess the dream of some of its members. . . . . What, then, let us consider, constitute the resources of this country? and what are the effects of war on them? Commerce and agriculture, till lately, almost the only, still constitute the principal sources of our wealth. So long as these remain uninterrupted, the country prospers; but war, as we

are now circumstanced, is destructive to both. They both depend on foreign markets; and our country is placed, as it regards them, in a situation strictly insular; a wide ocean rolls between. Our commerce neither is, nor can be protected by the present means of the country. What, then, are the effects of a war with a maritime power—with England? Our commerce annihilated, spreading individual misery, and producing national poverty; our agriculture cut off from its accustomed markets, the surplus product of the farmer perishes on his hands; and he ceases to produce, because he cannot sell. His resources are dried up, while his expenses are greatly increased; as all manufactured articles, the necessaries as well as the conveniences of life, rise to an extravagant price.

The recent war fell with peculiar pressure upon the growers of cotton and tobacco, and other great staples of the country; and the same state of things will recur in the event of another, unless prevented by the foresight of this body. If the mere statement of facts did not carry conviction to any mind, additional arguments might be drawn from the general nature of wealth. Neither agriculture, manufactures, nor commerce, taken separately, is the cause of wealth; it flows from the three combined, and can not exist without each. The wealth of any single nation, or any individual, it is true, may not immediately depend on the three; but such wealth always presupposes their existence. He viewed the words in their most enlarged sense. Without commerce, industry would have no stimulus; without manufactures, it would be without the means of production; and without agriculture, neither of the others can subsist. When separated entirely and permanently, they perish. War in this country produces, to a great extent, that effect; and hence the great embarrassments which follow in its train.

The failure of the wealth and resources of the nation necessarily involves the ruin of its finances and its currency. It is admitted by the most strenuous advocates on the other side, that no country ought to be dependent on another for its means of defense; that at least our musket and bayonet, our cannon and ball, ought to be of domestic manufacture. But what is more necessary to the defense of a country than its currency and finance? Circumstanced as our country is, can these stand the shock of war? Behold the effect of the late war on them! When our manufactures are grown to a certain perfection, as they soon will under the fostering care

of the Government, we will no longer experience these evils. The farmer will find a ready market for his surplus produce; and, what is almost of equal consequence, a certain and cheap supply of all his wants. His prosperity will diffuse itself to every class of the community; and instead of that languor of industry, and individual distress now incident to a state of war and suspended commerce, the wealth and vigor of the community will not be materially impaired. The arm of Government will be nerved, and taxes in the hour of danger, when essential to the independence of the nation, may be greatly increased. Loans, so uncertain and hazardous, may be less relied on. Thus situated, the storm may beat without, but within all will be quiet and safe. To give perfection to this state of things, it will be necessary to add, as soon as possible, a system of internal improvements, and at least such an extension of our navy as will prevent the cutting off our coasting trade. The advantage of each is so striking as not to require illustration, especially after the experience of the last war.

It is certainly a great political evil, incident to the character of the industry of this country, that, however prosperous our situation when at peace, with uninterrupted commerce, and nothing then could exceed it, the moment that we were involved in war, the whole is reversed. When resources are most needed; when indispensable to maintain the honor, yes, the very existence of the nation, then they desert us. Our currency is also sure to experience the shock, and becomes so deranged as to prevent us from calling out fairly whatever of means is left to the country. The result of a war in the present state of our naval power, is the blockade of our seacoast, and consequent destruction of our trade. The wants and habits of the country, founded on the use of foreign articles, must be gratified; importation to a certain extent continues, through the policy of the enemy or unlawful traffic; the exportation of our bulky articles is prevented, too; the specie of the country is drawn to pay the balance perpetually accumulating against us; and the final result is a total derangement of our currency.

To this distressing state of things, Mr. C. said, there were two remedies, and only two; one in our power immediately, the other requiring much time and exertion; but both constituting the essential policy of this country; he meant the navy and domestic manufactures. By the former, we could open the way to our markets; by the latter we bring them

from beyond the ocean, and naturalize them. As we had not the means of attaining an immediate naval ascendancy, it became our duty to resort, at least as far as proposed, to the only remaining remedy.

But it has been objected, that the country is not prepared, and that our premature exertion would bring distress on it, without effecting the intended object. He could not for a moment yield to this assertion; on the contrary, he firmly believed that the country was prepared, even to maturity, for the introduction of manufactures. We have, said he, abundance of resources, and they naturally tend in that direction. A prosperous commerce has poured an immense amount of commercial capital into this country. That state of the world which transferred it to this country, and gave it active employment in commerce, has passed away, never to return. Where shall we now find employment for our prodigious amount of tunnage? where find markets for our numerous and abundant products? This great body of active capital must find a new direction. What channel can it take but that of manufactures? It will introduce a new era in our affairs, and ought to be countenanced by the Government. We have already surmounted the greatest difficulty. The cotton and woolen manufactures are already introduced to a great extent, freeing us from the hazards, and in a great measure from the sacrifices experienced in giving capital a new direction. The restrictive measures and the war, though not intended for that purpose, have turned a large amount of capital to this new branch of industry. Where, then, it may be asked, is the necessity of affording it protection? It is to put them beyond the reach of contingency. Besides, capital is not yet, and can not, for some time, be adjusted to the new state of things. There is, in fact, from the operation of temporary causes, a great pressure on these establishments. They had extended so rapidly during the late war, that many, he feared, had not the requisite surplus capital or skill to meet the present crisis.

It has been asserted that manufactures are the fruitful cause of pauperism; and England has been referred to as furnishing evidence of its truth. Mr. C. said, for his part, he could perceive no such tendency in them, but the exact contrary, as they furnished new stimulus and means of subsistence to the laboring classes. We ought not to look to the cotton and woolen establishments of Great Britain for the prodigious numbers of poor with which her population was

disgraced. Causes much more efficient exist. Her poor laws, and statutes regulating the price of labor, with heavy taxes, are the real causes. If the mere fact that England manufactured more than any other country explained the cause of her having more beggars, it is just as reasonable to refer her courage, spirit, and all her masculine virtues, in which she excels all other nations, with a single exception—our own—in which we might without vanity challenge a preëminence.

Another objection had been made, which he must acknowledge was better founded, that capital employed in manufacturing produced a greater dependence on the part of the employed, than in commerce, navigation, or agriculture. But he did not think it a decisive objection to the system, as it had incidental political advantages which, in his opinion, more than counterpoised it. It produced an interest strictly American—as much so as agriculture; in which it had the decided advantage of commerce or navigation. The country will from this derive much advantage. Again, it is calculated to bind together more closely our widely-spread Republic. It would make the parts adhere more closely; it would form a new and most powerful cement, far outweighing any political objections that might be urged against the system. The liberty and the union of the country were inseparably united. As the destruction of the latter would certainly involve the former, so its maintenance would with equal certainty preserve it. He did not speak lightly. He had often and long revolved it in his mind, and had critically examined into the causes that destroyed the liberty of other States. There are none that apply to us, or apply with a force to alarm. The basis of our Republic is too broad, and its structure too strong, to be shaken by them. Its extension and organization will be found to afford effectual security against their operation. But let it be deeply impressed on the heart of this House and the country, that, while they guarded against the old—they exposed us to a new and terrible danger—disunion. This single word comprehends almost the sum of our political dangers; and against it we ought to be perpetually guarded.

Mr. Calhoun was replied to by Messrs. Cuthbert, of Georgia, Randolph, of Va., and Gaston, of N. C.

Mr. Newton, of Va., Chairman of the Committee on Commerce and Manufactures, in a speech of about two hours, advocated the bill, entering into a full discussion of the general question of promoting domestic fabrics.

Mr. Hale, of N. H., moved to modify Mr. Randolph's motion, by reducing the minimum price to 15 cents a square yard. The motion was negatived: Ayes, 66; noes, 72. The question recurred on Mr. Randolph's motion to strike out the minimum price altogether; and, after some further debate, the motion was withdrawn by Mr. Randolph.

A few days afterward, Mr. Randolph moved the postponement of the bill to December next, expressing a belief that the bill had not been maturely prepared by the Secretary of the Treasury.

Mr. Smith, of Md., opposed the motion. If the tariff were not passed, the commercial community would have to look to the next session without knowing how to shape their conduct or form their calculations, uncertain of the policy which might then be adopted.

Mr. Lowndes, of S. C., also opposed the postponement. The Secretary had not acted prematurely; he had long ago taken measures to obtain all possible light on the subject. Mr. L. admitted that he did not approve every feature of the bill. In a system so extensive, there must be particular parts on which members could not agree; but as a whole, he had no doubt it would be beneficial to the revenue, and promote the general interests of the country.

Mr. Calhoun would not enter into a discussion of the motion; but wished merely to reply to the insinuation (by Mr. Randolph) of a mysterious connection between this bill and that to establish the bank. He denied any improper or unfair understanding, and could challenge the House to support the charge. In fact, said Mr. C., the most zealous friends of the bank were generally unfriendly to this tariff; and the warmest friends of either could not be found on the same side.

The question on the postponement was lost: Yeas, 47; nays, 95.

The question recurring on the passage of the bill,

Mr. Randolph spoke three hours against the bill, and generally against the policy of encouraging manufacturing establishments at all, especially against affording a high bounty by taxing the community.

Messrs. Wright, of Md., and Telfair, of Ga., followed on the same side; when the question was taken on the passage of the bill, and decided in the affirmative: Yeas, 88; nays, 54; as follows:

*New Hampshire:* Yeas, 1; nays, 3. *Massachusetts:* Yeas, 7; nays, 4.

*Rhode Island:* Yeas, 2. *Connecticut:* Yeas, 2; nays, 2. *Vermont:* Yeas, 5; nay, 1. *New York:* Yeas, 20; nays, 2. *New Jersey:* Yeas, 5. *Pennsylvania:* Yeas, 17; nays, 3. *Maryland:* Yeas, 2; nays, 5. *Virginia:* Yeas, 7; nays, 12. *North Carolina:* Nays, 11. *South Carolina:* Yeas, 4; nays, 4. *Georgia:* Yeas, 3; nays, 3. *Kentucky:* Yeas, 6; nay, 1. *Tennessee:* Yeas, 3; nays, 2. *Ohio:* Yeas, 4. *Louisiana:* Nay, 1.

In the Senate, the bill, having been somewhat amended, was passed, 15 to 11, as follows:

*New Hampshire:* Nays, 2. *Massachusetts:* Nay, 1. *Rhode Island:* Yea, 1. *Connecticut:* Nay, 1. *Vermont:* Nay, 1. *New York:* Yea, 1; nay, 1. *New Jersey:* Yea, 1; nay, 1. *Pennsylvania:* Yeas, 2. *Delaware:* Nays, 2. *Maryland:* Nay, 1. *Virginia:* Yeas, 2. *North Carolina:* Yea, 1; nay, 1. *South Carolina:* Yea, 1. *Georgia:* Yea, 1. *Kentucky:* Yea, 1. *Tennessee:* Yea, 1. *Ohio:* Yea, 1. *Louisiana:* Yeas, 2.

[For the rates of duty imposed by this act, see Table of Duties, near the end of the volume.]

On the list of articles free of duty, among others were the following: Philosophical apparatus, cabinets of coins, gems, medals, and other collections of antiquities, statuary, paintings, &c., imported for the use of any philosophical or literary society, or for the encouragement of the fine arts, or for the use of any seminary; specimens in natural history; cork, unmanufactured; animals imported for breed; burr stones, unwrought; gold and silver coin and bullion; certain dye woods; copper and brass suited to the sheathing of ships, &c., &c.

To the duties imposed by the act upon the goods imported, 10 per cent. was to be added if imported in foreign vessels, where a specific discrimination had not already been made. The act also provided, that, on certain articles no drawback of duties was to be allowed on exportation of such articles. Nor was a drawback to be allowed in the case of goods imported in foreign vessels from any foreign place to and with which our vessels were not permitted to go or trade.

In 1817, an act was passed to continue, on foreign vessels, the tunnage duty of $2 a tun to which it had been previously raised, except such vessels as came from ports or places to and with which our vessels were not permitted to enter and trade: these were to be subject only to the duties originally levied by the act of 1790.

It will be recollected, that, by the tariff act of 1816, 25 per cent. duty on cotton cloths and thread was to be charged for three years, and 20 per cent. thereafter. By an act of April 20, 1818, the 25 per cent. duty was to be continued until the 30th of June, 1826.

Also an act of the same date was passed to increase the duties on certain manufactured articles imported into the United States; among which were the following: Manufactures of copper, silver plated saddlery, &c., which, by the tariff of 1816, were charged 20 per cent., were raised to 25 per cent. Cut glass, from 20 per cent., was raised to 30.

At the same session, several petitions were received from inhabitants of New Jersey and Pennsylvania, praying for additional duties on the various kinds of iron imported. An act was accordingly passed, increasing the duties on the following articles: Iron in pigs was made subject to a duty of 50 cents per cwt., [112 lbs.;] iron castings, 75 cents per cwt.; iron in bars and bolts manufactured without rolling, 75 cents per cwt., (formerly 45 cents.) Anchors, from $1 50 per cwt., were raised to 2 cents a pound; alum, from 1 cent, to 2 cents a pound.

## CHAPTER V.

Attempt to revise the tariff of 1816. Petitions. Bills reported. Debate on the bill. Passed by the House. Defeated in the Senate by postponement.

THE tariff of 1816 proved less favorable to the manufacturing interest than had been generally anticipated. Therefore, at the session of 1819–1820, numerous memorials, from a number of States, were again presented to Congress, asking for the further protection of that interest. Among these memorials was one from a convention of "the friends of national industry, assembled in the city of New York, to take into consideration the prostrate condition of our manufactures, and to petition Congress for their relief, composed of delegates from Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, and Ohio;" and another from the American Society of the city of New York, for the encouragement of domestic manufactures. The following are some of the views and facts presented by the memorialists:

The people of this country, they said, after having enjoyed the benefit of an over-proportion of the trade of the world, found themselves in a state of great embarrassment. Our commerce was greatly prostrated; our shipping had sunk in value to one-half of its original cost; real estate was depreciated; merchants, manufacturers, and farmers, were reduced to bankruptcy; many mechanics and artists were unemployed; and our great staples were so reduced in price as most seriously to affect the interests of the agriculturists, and to diminish the means of paying for our importations. We were deeply indebted to foreign nations, notwithstanding we had transmitted to them as much of our surplus productions as they furnished us a market for, and a large amount of our Government and bank stock, which subjected us to an oppressive annual tax for interest, probably equal to the amount of the civil expenses of our Government, which adds to the impoverishing drain of our specie. Our cities and villages were filled with the manufactured productions of other nations, by which we had been ruinously drained of our wealth.

The petitioners refer to Portugal, Russia, Austria, England, and France, as furnishing examples illustrating the beneficial effects of the encouragement of domestic manufactures by bounties and duties, amounting, in some cases, even to the prohibition of rival articles of other nations. And, on the other hand, they refer to Spain to show the effects of the opposite policy. She had, for centuries, with those boundless resources which were lavished on her in vain, nourished the industry of other nations, and often, with those treasures, squandered for their manufactures, fed the armies that covered her fields with desolation, and shed disgrace on her arms. The mass of her subjects, unprotected in their industry, were in a state of distress and misery; although under a wise Government, some centuries ago, Spain was the most manufacturing nation in the world. Even yet, two or three of her provinces, where industry was protected, were as prosperous and industrious as any part of Europe.

The late war with Great Britain, and the events which immediately preceded it, produced, in many of our reflecting citizens, a due sense of their best and most lasting interests. With a rapidity unexampled in the history of any other people, a large portion of their capital was transferred from commercial to manufacturing pursuits. The value of goods manufactured in the United States, as taken from the marshal's returns, amounted, as early as 1810, to upwards of $172,000,000, which value was greatly increased during the late war.

The peace of Europe was attended with ruinous consequences to us: our infant manufactures were blighted in the bud; the spirit of speculation spread through our country, seducing her votaries from the paths of quiet and laborious industry, by promises of sudden wealth. But it was soon found that the commerce of 1815 and 1816 was not the commerce of 1806 and 1807: the nations by whose calamities we had flourished, whose impoverishment had been our gain, were now at peace with each other, and returning with eager activity to the employments of social life; our vessels were no longer wanted to convey their products, nor to supply them with ours. Cherishing and depending on their own resources, they have furnished us a useful and honorable lesson in the encouragement, support, and extension of domestic, and salutary restrictions on the importation of foreign manufactures. An imitation of their policy, in this respect, your memorialists believe to be indispensable to the prosperity and independence of our country.

To remove the embarrassments of the country, and to restore life and vigor to our almost expiring manufactures, they recommended three measures :—

First. *To abolish credit on import duties.* Since credits on duties were first established, the state of the country had changed. Slowly recovering from the effects of a desolating war, almost destitute of money and commercial connections, it was necessary to aid the first efforts of enterprise. This measure was therefore wise and salutary. The weakness of our internal resources produced a dependence on imposts for the support of Government. But how great the change. From a population of three, to ten millions ; from an annihilated commerce, to one that spreads it canvass on every sea ; from a state of agriculture very little exceeding our own daily wants, to a surplus production exceeding $80,000,000 a year ; from an almost total want of manufactures, to an actual invested manufacturing capital of cotton and woolen goods alone exceeding $50,000,000.

Our commerce was at first carried on by resident merchants, whose prudence and experience restrained importations within due bounds ; credits on the duties afforded them facilities which their situation required. But for some years past, and especially since the universal peace in Europe, and the conclusion of our late war, these regular traders have been supplanted by foreign merchants and manufacturers, or desperate speculators, whom the credit on duties has enabled and induced to inundate our markets with foreign goods, producing the most pernicious effects on our mercantile stability and the prosperity of our manufactories. It may also be here remarked, that the operation of this credit on imposts is to create a capital for new importations. For, let us suppose that four importations, to the amount of $100,000 each, be made in one year, at the average of 25 per cent. duty, the sum of about $100,000 is left to trade with in the hands of the importer, with the ultimate risk to Government of the loss of the whole. A credit of eight, ten, and twelve months, increases the facilities of the merchants and manufacturers of Great Britain for carrying into effect their hostile purpose of extirpating every germ of manufactures among us.

These consequences, injurious as they are, are exceeded by those which arise from the trade to China and the East Indies ; a trade, encouraged as it is at present, of the most exhausting and pernicious effects. The long credit of from one to two years allowed by law on duties on this trade, we

are sincerely persuaded, produces the ruinous effects of draining us of our specie, and, in the case of most of the East India goods, overwhelming our markets with inferior fabrics, which, from their apparent cheapness, meet a ready sale, while the much superior products of our own industry and skill must be sacrificed at a ruinous loss, or remain unsold in the hands of the manufacturer.

Secondly. *To impose a restrictive duty on sales at auction.* In the extent to which they have arrived among us, they are greatly injurious, not only to the fair and regular dealer, but to the community at large. Large quantities of silk, woolen, cotton, and other goods are manufactured in Europe and the East Indies, expressly for sale at auction in the United States. These goods are deficient in length and breadth, and of flimsy texture; yet so well finished to the eye, that they generally escape detection until they reach the consumer. For such base fabrics have our people, for years past, been exorbitantly taxed, to the great injury of our own hard-struggling manufacturers. As an example of the enormous extent of this business, the petitioners say, that, as appears from the returns of the auctioneers, their sales of foreign goods amounted, in 1818, to the prodigious sum of $14,000,000; from which they judge the sales in the United States to be at least $30,000,000. And they are satisfied, from past experience, that the sales of domestic goods at auction are as deleterious as those of foreign merchandise; as they tend to encourage the manufacture of inferior fabrics, and thereby injure the reputation of American fabrics generally. They therefore recommend a duty of 10 per cent. on such sales, in order to diminish them.

Thirdly. *To alter and increase the duties on imported goods.* And the petitioners give a list of the articles which, in their opinion, ought to be charged with increased duties, and specify the particular rate of duty which they think ought to be imposed on each article.

In favor of the policy which they recommend, they say: The farmers and planters would largely participate in the benefits of this system. The planter would have a steady market for his raw material, not subject to those destructive fluctuations which have produced such extensive ruin within the present year; and the farmer would have an equally steady and increasing demand for the productions of his farm, many of which, especially in the interior of the country, and in the Western States, will not bear transportation to

market. This advantage is so palpable, that we shall only refer, in illustration of it, to various towns and villages throughout the United States, in the neighborhood of which, lands and their productions rose 100 or 200 per cent. in value, in consequence of the extensive establishment of manufactures, and, by their decay, have fallen below their original value.

In further support of their recommendations, the memorialists give a comparative view of the American and British tariffs in a few articles:

| | *Am. Tariff.* Per cent. | *Br. Tariff.* Per cent. |
|---|---|---|
| Manufactures of brass, | 20 | 59½ |
| " of cotton, | 25 | 85½ |
| " of copper, | 25 | 59½ |
| " of glass, | 20 and 30 | 114 |
| " of linen, | 15 | 142½ |
| " of silk, | 15 | prohibited. |
| China and earthen wares, | 20 | 99 |
| Hats, caps and bonnets, | 30 | 85½ |
| Woolen hats, | 30 | 150 |
| Stockings, cotton and woolen, | 20 | 85½ |
| Watches, &c., | 7½ | 59½ |
| Goods, wares, &c. not enumerated, | 15 | 59½ |
| Oil of vitriol, | 7½ | 100 |
| Woolen and worsted goods, | 25 | 755 |

In order to protect the cultivation of cotton, the great staple of the country, by securing to it a preference in foreign markets, and to shield it from the ruinous fluctuations incident to a competition with the overwhelming quantities and inferior qualities from India and other parts of the world, and to afford security to the cotton manufacture, and especially of the coarser fabrics, already established, one of these memorials prayed that Congress would restrict the importation of cotton goods to such as were manufactured wholly from the raw material produced in the United States, and increase the duties on all cottons of foreign growth.

Petitions were also presented, asking for the further protection of boot and shoemakers, paper manufacturers, book printers, and others.

Mr. Baldwin, of Pa., Chairman of the Committee on Manufactures, reported a bill, "to regulate the duties on imports and tunnage, and for other purposes." This bill passed the House at a late period of the session, and was taken up in

the Senate but a few days before the adjournment, and, after a brief discussion, it was postponed to the next session by a vote of 22 to 21.

Although this bill failed to become a law, its discussion is not on that account the less important. We present the views of the friends and opponents of protection, that the reader may hereafter bring them to the test of experience, and draw for himself correct conclusions on this great controverted question in political economy. The protective system had not, at the time of this debate, been fairly tried. Indeed it can scarcely be said to have been as yet fully tested. Its friends have frequently had the predominance in Congress, but at periods too short in duration to give it permanence and stability, and to secure the full benefits of adequate protection. Yet it is believed that to no other single measure is the country more largely indebted for its prosperity than to a protective tariff.

Mr. Baldwin advocated the bill on the grounds both of revenue and the manufacturing interest. The revenue had been diminished by the repeal of the internal taxes, and there was a deficit in the revenues of five millions. Loans had been resorted to, and must be continued, unless some other means should be provided for supplying the treasury. The Secretary of the Treasury was opposed to an increase of duties for this purpose. The Committee of Ways and Means had refused to report a bill, or recommend any means for filling the treasury, yet called upon by thousands of petitioners to do something to protect the industry of the nation. Left thus alone, the Committee on Manufactures must either abandon, subject to certain destruction, the great interest confided to their care, or report a system which, while it would not injure the commerce, should aid the revenue, and save the manufactures of our country.

At the organization of the Government impost was only one, not the exclusive source of revenue. As soon as the debts of the Revolution were assumed by the new Congress, a system of excise and internal taxation was resorted to as a paramount means of paying the interest of the National Debt. And in the preamble to the act for laying an impost, "the encouragement of manufactures" was one of the avowed objects of the law. This was the revenue system of the founders of the government; the only one on which we can rely for permanent protection in a time of European peace.

The policy of this Government was changed; not because

it was found unwise, but because the continuance of the war in Europe rendered it unnecessary. Then other nations wanted our provisions; their price was such that the labor of this country was diverted from its natural course. Instead of making, we imported the articles of common consumption. The impost was sufficient for all our wants. But in the change of events, Europe can now feed herself, and compete with us in other markets for our provisions. Those nations from which we import the most, now refuse to receive our produce at any price. . . . When gentlemen complain of the extravagant protection that this bill affords to national industry, they are not, perhaps, aware that, in general, it exceeds, but in a small degree that recommended, in 1816, from the treasury, almost exclusively for revenue.

Mr. B. then took up the principal items in the bill, compared them with the existing duties, and explained and defended the several alterations proposed. In this part of his speech he remarked: If in 1816 it was right to impose a duty of 25 per cent. on woolens and cottons, principally with a view to revenue, there will be found a strong reason for its increase in the duties now imposed by the British Government, of six pence sterling on every pound of wool, and six per cent. *ad valorem* on cotton wool, imported after the 5th of January, 1820. Wool has been an article of export from this country to England. The new duty excludes it; the ports are now shut against your provisions; they will not permit its importation until the price of wheat is ten shillings sterling ($2.22) a bushel. Let those who complain so much that the agricultural interest will suffer by this bill, reflect on these facts. Let the farmer decide whether it is most for his interest to purchase his clothing from the foreign manufacturer, who will purchase neither his wool nor his provisions; or from the domestic one, who will give him a market for both.

It is feared that there will be a monopoly and a desire for speculation, if our own countrymen can supply our demands; yet there seems to be *no fear that our course of policy should give that monopoly to British manufacturers!* Hundreds, thousands of our citizens are out of employment, who would add infinitely to the national wealth, to our independence, and save the national resources at home, if their labor was employed in converting our raw materials into fabrics for our own use. But it is contended that our true policy is to employ the labor of other nations, and pay them the profits of their manufac-

tures, for the purpose of directing the industry of ours to productions which can *find no market abroad, and have no value at home.* These new duties imposed in England on wool and cotton, ought to awaken us to our situation ; and no part of the country ought to be more alive to their effects, than that from which the opposition to this bill is the greatest. England does not wish to encourage the cotton of America. She will take it till her colonies can furnish her supplies. Though her best customer, though she now depend on us for the raw material to support her manufactures, she takes wool from the continent, cotton from us ; but imposes heavy import duties, which are paid by us who consume the manufactured articles. We thus furnish her Government with revenue, and her laborers with employment, while ours are idle.

Is there not some danger of our erring by adopting the system which best accords with the views of the British Government ? If it were submitted to them to choose a set of measures for us which would best promote their interest, we well know it would be such as would secure to their merchants, manufacturers, and mechanics, the supply of all our articles of consumption and defense ; to give them the employment of the labor and the profits of converting the raw materials into fabrics for use. This policy is the source of their national greatness ; the great object to which all their efforts are directed. It has existed for ages. They have not left things to "regulate themselves ;" this has not been, it will not be, their maxim ; but they wish to see it adopted by those who are to be the dupes of their policy. What is sound political economy there, is, it seems, here the raving of madness, the result of empiricism. Yet it would excite some sensation in this House, if the Ministers of England should formally present us with a plan for our adoption. We should at least inquire whether it was the result of their friendship to us, and whether it would not be as safe to trust to the opinion and advice of our own statesmen. To import only our raw materials and provisions, to be our exclusive merchants and carriers, was their colonial policy before the Revolution. The great men whose wisdom carried us through that struggle, did not then think that the system of internal policy best calculated to secure our independence, and to coerce England to respect our rights, was to afford employment to her citizens, encouragement to her artificers, to the impoverishment of our own.

It has never been charged on Bonaparte that he was defi-

cient in foresight, or did not understand the mode of attacking his enemy. His continental system was not aimed at the influence or political power of England, but against her manufactures. That he knew to be the source of her power; and there he attacked her. To save them, England fought and subsidized all Europe.

But it will be said that more liberal ideas are now adopted by other nations; that the principles of political economy are now better understood. France has been mentioned; but when her tariff is examined, it will be found to be more rigid —to contain more prohibitions than that of England. As to us, it contains some provisions which, I think, can not fail to alarm the agriculturists, the cotton planters of this country. It is worthy the attention of this House to look at their import duties on cotton wool.

From India, 30 f. per 100 kil., equal to $3 per cwt.
Other countries out of Europe, 40 f. per 100 kil., equal to $4 per cwt.
Entrepots, 50 f. per 100 kil., equal to $5 per cwt.
Turkey, 15 f. per 100 kil., equal to $1.50 per cwt.
French colonies, 10 f. per 100 kil., equal to $1 per cwt.

This short item contains much information and instruction. Their whole tariff breathes against your agriculture and commerce a spirit of hostility as unequivocal as any regulation of England; as to cotton more so; it is a duty of $4 per 100 pounds; equal to 20 per cent. *ad valorem* on the raw material, while England imposes only 6. That it is aimed at this country is evident from its being so much more than on cotton from Turkey and India. She requires our cotton now, but this duty is an earnest of what you may expect from her when she can procure a supply from her colonies or other countries. She receives your tobacco, but takes care to exclude us from all chance of competition in the market, by compelling a sale to the Government, who buy at their own price. Rice pays $1 per 100 pounds; from America, $2. Thus we find the two nations with whom our intercourse is the greatest, pursue the same policy as to our great agricultural products, the only ones they receive from us. They are enriched by the manufacture of it. We purchase immense quantities of their cottons, and woolens, and silks; but these favors produce no relaxation on their part. Our agriculture and manufactures are now prostrate, and commerce goes next. . . . All that is asked is, to meet regulation by

regulation, and thus make the competition fair and equal. Apply to their products the same rule that they apply to ours. If they tax our raw materials, tax their manufactures to the encouragement of ours. If they exclude our provisions, exclude their products. Let our legislation keep pace with theirs; then our industry will be protected, and foreign nations will be compelled to observe, practically, the rule which they discard from their code, but press into ours—"let things regulate themselves."

We are told that this bill will destroy commerce. This is not an unexpected alarm; it was raised when the last tariff was passed. It is equally loud when any measure is proposed which adds a cent or a dollar to a duty on importation. Joined with smuggling, we shall always hear the cry repeated when any measure is proposed not tending to the exclusive benefit of that interest. I had indulged the hope, that, at this time, when the commerce of the country was as prostrate as our manufactures; when both are pressing us for protection from the same dangers, that its friends would make common cause, and join in a common struggle for self-preservation. The hope was not a sanguine one: commerce has been too long a pet, the spoiled child of Government, to think there are any other interests worth protecting. The mere creature of legislation, raised to importance by our laws, and the expenditure of a great portion of our revenue for its support, commerce has presented herself as the Atlas which supports the Government, the country, and all its great interests: now, it seems, she cannot support herself. Yet, while approaching you in a suppliant posture, praying for a bankrupt law to save her merchants, navigation acts to save her shipping, she still retains the spirit, she still thinks that legislation must be for her benefit; boldly claiming the right of primogeniture; loudly protesting that anything done for the other children of the nation is her destruction. While this is commerce, "I am against it;" but if she claims equal protection, or even a double portion in her favor, I will go as far as any man in this House to support the fair trade of the country.

Important as I think manufactures, commerce is no less so; but I must be understood as not meaning that commerce which is confined to the export of raw materials, and import of manufactures for home consumption, which adds nothing to the labor and wealth of the nation; only draws from the consumer what he ought to retain at home—our resources to

enrich other nations ; but that commerce which, by the carrying trade—the export of foreign produce and our own manufactures—draws wealth from others to us ; equally promoting the great interests of the country.

It is admitted that the flourishing period of our commerce was from 1802 to 1812 ; the best years, 1806 and 1807. It has been declining since the peace—1816 and 1817 very bad years ; the worst was 1818 ; yet the average amount of exports for the first period was less than in 1818 by one million. [Mr. B. here gave a statement of exports, in different years, of domestic and foreign produce, and of revenue, and then proceeded :] These facts present you with a history, and account for the rise and decline of commerce as well as manufactures : they show the kind of commerce worth protecting, in which I will be behind no one at all hazards, even of a war. Left now only in the enjoyment of the export of our produce, and the importation of articles of consumption, we are losing the carrying trade ; not for the want of laws to protect it, but for this evident reason, that the commercial nations of Europe can be their own carriers, import directly from their own colonies. They are not to be diverted by navigation acts ; other means must be adopted to restore our commerce, and give employment to our shipping. We must do as other nations have done—*make ourselves carriers by creating materials for trade.* None ever become so by being the consumers of the manufactures of others. In a settled state of things, commerce can not exist without manufactures—the one is the basis and affords the materials of the other.

The agricultural class of the country seems alarmed at this bill ; with what reason, it is certainly difficult to divine. Their situation is not more enviable than that of the other great interests. The ports of Europe and the British West Indies are closed against their provisions : some are actually imported for our own consumption. Wheat in the interior is 37½ cents a bushel ; flour at your farms $3, and $4 in the seaports. Excluded from foreign markets, you complain that we are creating a domestic one. . . . Remember, if the revenue has failed, if commerce is without employment, and agriculture has no market, manufactures have not caused it. It seems to be forgotten that it is writhing almost in the agonies of death : far from being able to injure others, it can not save itself ; and it is as low as its worst enemies could wish. All have alike sunk beneath the effects of foreign policy and your indifference—laid low alike, strug-

gling side by side. The three great interests of the country are to be restored only by your interference; they call on you in sepulchral tones, equally to warn you of past errors, and to implore you for future aid. But, sir, listen to all alike. Do not let revenue, calling for a loan, commerce for bankrupt and navigation acts, drown the voice of manufactures asking for protection.

The treasury report tells us that the *ad valorem* imports of 1818, are $58,000,000: our domestic exports only $50,000,000. This must be changed; we must buy less than we sell. There is one domestic work on political economy better than any imported; containing more sound political maxims than any I ever read: the almanacs of "Richard Saunders." He says: "If you keep taking out of the meal chest and putting nothing in, it will become empty." This is the state of the nation. An enormous flood of importation has swept before it the industry of the country; $36,000,000 of imports a year have exhausted its resources; it is literally empty.

Look where you will, you will find property depressed, produce declining, laborers seeking employment; nothing increasing but debts and suits and forced sales. If the petitions on your tables do not give you the true cause of this; if, when manufacturers and farmers are joining in their supplications for the protection of national industry, you want other evidence of the general distress; let each member of this House say what is the situation of his own district. Many of them have seen manufactures flourish: did farmers then suffer? Has their practical operation ever been injurious to any portion of the country? We have tried the systems both of supplying ourselves and of depending on foreign nations; those who have seen the effects of both can best judge of the merits of this bill.

Mr. Smith, of Md., expressed his views in general opposition to those of Mr. Baldwin as regarded the merits of the system of revenue from imports, but without denying that some of the present duties might require to be increased. He moved, as an amendment, to strike out the 12½ per cent. duty on certain articles, and insert 7½, the rate charged by the tariff of 1816.

Mr. Clay, of Ky., after paying a high compliment to the ability and substantial character of the speech of Mr. Baldwin, said that, until an answer to it was at least attempted, he should abstain from engaging in the support of the gen-

eral principles of the bill. At present, he only rose to say that it became the friends of the manufacturing interest not to lend themselves with too much facility to alterations proposed in the system which has been reported by the Committee on Manufactures. That committee had, with a patience and industry never surpassed in this House, prepared and reported a general system. Its provisions were the result of much calculation; and if the friends of the general features of it listened to every application which should be made to change this or that particular item, the effect would be that they would lose the whole. Mr. C. then made some remarks against this particular motion.

The question was taken on Mr. Smith's motion, and decided in the negative without a division.

Mr. Silsbee, of Mass., moved to strike out the proviso which fixed the minimum price of cotton cloths at 25 cents the square yard, as that on which the duty was to be charged. Negatived.

After several motions to amend, some of which were agreed to, and others negatived,

Mr. Tyler, of Virginia, moved to strike out the first section of the bill, which was virtually to reject it. Mr. T. spoke at length in opposition to the bill. He attributed the embarrassed condition of the country in part, to the general peace throughout all Christendom. The inhabitants of Europe were now permitted to pursue the walks of peace, and were no longer dependent on us for those large supplies which they lately required. Another cause was to be found in that hot-bed banking system which like the present bill, when introduced, was made to promise us such potent blessings.

If gentlemen imagine, said Mr. T., that by this bill they are securing the permanent interests of the manufacturers; if they believe that this is all that will be required at the hands of the Legislature, they are grossly deceived. This is but the incipient measure of a system. I venture to predict, that, after the lapse of a few years, we shall be assailed by as urgent petitions as those which have poured upon us at the present session. What will be the effect of this measure? It proposes a rate of duties sufficiently high to enable our artists to undersell the foreign artists in the markets of this country. For a short time it will have that effect, but it cannot long continue. It adds to the profits of those who at this time have their capitals invested in manufactories; and while other classes will labor under severe pecuniary embar-

rassments, they will enjoy comparative prosperity. What will be the consequence? No principle in political economy is more universally true, than that capital will flow into those employments from which it can derive the greatest profits. This bill, then, will have the effect of causing new investitures of capital. Thus a spirit of competition will have been generated; and in a few years the profits of these capitalists will have settled down to their present level.

Again: The advocates of this system have attempted too much. They have clasped in their embrace too many favorites to yield a permanent benefit to any one. There will exist an inequality of profits in the various branches of manufacturing industry; and this circumstance will aid greatly in producing the result which I have deduced. To simplify my argument, let me present to you a supposititious case: Take the case of the tailor and shoemaker. If the tailor makes a greater profit in his trade, then you will have more tailors than shoemakers; more labor will be employed by the one than the other. The shoemaker, in order to retain his laborers in his employment, will be forced to give higher wages; and the tailor, in order to counteract this effect, will find himself compelled to increase the wages of his laborers. And thus, the competition between them will urge them on to the imposition of higher prices on their different fabrics. While the wages of labor are continually advancing, they will find their profits constantly diminishing, and their resort to high prices for their products will resemble the desperate effort of the gambler, whose hopes are all staked on the last throw of the dice. The consequence is inevitable. This bill secures them not. The foreign competitor again enters your market; and again will our ears be deafened with cries of relief.

Where a surplus population exists, each branch of industry will be well supplied with laborers. The bidding is on the part of the laborer for employment, and not, as in a new country, by the undertaker for the laborer. But where you have an extensive wilderness yet to settle; where, from the paucity of hands, the wages of labor must be necessarily high; where the laborer feels and knows the value that is set on him; as sure as man is man, the effects which I have anticipated will result. If, then, you intend to stop here, you only hold out a false lure; one promising permanent benefit, but, unless pressed to prohibition, resulting in vain. I take it then for granted, that no gentleman will vote for this measure who is not prepared to go on to prohibition.

The first and inevitable effect of this bill will be to reduce the value of land; to diminish the value of the capital of the farmer. Manufacturing labor and capital, or by far the greater portion, will be subducted from agriculture. Men will pursue their true interests; and you will have made it their interests to abandon their fields, and invest their capital in manufacturing establishments. The advance of improvement will be in a great measure stopped. A great portion of the soil will be thrown out of cultivation, and the result is obvious. The conclusion is drawn from principles so clear, that to press it would be an unnecessary waste of time.

But, sir, what will be the effects while this transition of capital is taking place? It must be some time before society can accommodate itself to any sudden change. America is now the granary of the world; she supplies the wants of the nations as they arise. It is true that the foreign market is at this moment almost glutted; but shall we be denied the advantage of profiting by a change in that market? Do not all producers experience fluctuations in their markets? To-day, from the deficiency of the supply, high prices are obtained; to-morrow the market is better supplied, and a diminution in the value of the product takes place. These are calculations which all must make in whatever branch of industry they are employed. Who can tell how long the causes which now operate to our injury may continue to exist? Even now, new causes of disputes among the Powers of Europe may be unfolding themselves. The speck which is now scarcely discernible on the horizon, the next moment may swell into a cloud, dark and portentous. Will you not, by this system, deny to us any benefit from any change that may occur? Yes, sir, I contend that you will have done so. Society lives on exchanges; exchange constitutes the very soul of commerce. But can you expect that foreign nations will buy of you for any length of time, unless you buy of them? But suppose they could; what would you receive in return? Gold and silver are of no value but as a medium of exchange. Attempts have been made by some nations to retain all the gold and silver that flowed in upon them. The attempt has been regarded as indicative of the highest folly. So would also be a system which should look to a constant importation of the precious metals.

But, Mr. Chairman, we are promised a home market for our products. Would you add by this bill to the number of consumers in the United States? I speak of the agricultural in-

terest as it now exists, before sufficient time shall have elapsed to enable the farmer to desert his field, and give a new direction to his labor. If you succeed in building up large manufacturing establishments, will you add to the number of consumers? Who will be found in them? Men who must be fed whether they are there or elsewhere—laborers. Will this be to furnish a new market?

But, sir, we must become independent of foreign nations. This is the basis of the theory; a theory which aims to subvert the ordinances of Heaven itself I was near pronouncing it an impious theory. Man is dependent on man, and nation on nation. One produces cotton and bread stuffs, while another is only inhabited by graziers. Would you, to render Massachusetts independent of South Carolina, undertake there the culture of cotton? Yet this might be done in hot-beds, and by holding out high rewards. Or would South Carolina be so blind to her interest as to abandon the culture of cotton, and attempt to rival Massachusetts in raising stock? It would be folly for her to do so; and yet it might possibly be accomplished. But in neglecting to do so, she would proceed on the true principle that she could purchase cheaper than she could raise. And yet we, the legislators of this great nation, proceed on a different principle, and assume it to be correct to manufacture articles which might be obtained on much better terms from abroad.

On what is this system founded, which is proposed as a remedy for existing evils? It is based on narrow and contracted principles—a desire to engross all wealth to ourselves and to beggar others. It looks not abroad through the world of man, but confines itself to home, and even there it blights and destroys; it overlooks the plainest principles of political economy. Let us not run after bubbles; let us learn contentment, and not deceive ourselves; let us not rudely and heedlessly throw from us the rich blessings which Providence has bestowed upon us. Let other nations press on, if they please, to that point when they will lose their agricultural, and assume a manufacturing character; so much the better for us; our market will thus be increased for the products of our soil, and wealth and happiness will await us.

Mr. Storrs, of New York, spoke about an hour on the bill.

Mr. Gross, of Pa., in reply to Mr. Tyler, said: The gentleman acknowledges that the general pacification of Europe, and the consequent loss of a market for our agricultural productions, is the cause of the present distress. He is per-

fectly right. We may talk about banks and extravagance as much as we please, but they are not the cause of our misfortunes. They are rather the evidences of our former prosperity. When everything which our soil produced commanded a high price in European markets, and when we were the carriers for all nations, we could afford to be extravagant. Industry, sir, simple industry, was sufficient to secure to every individual the necessaries and conveniences of life. The mechanic found abundant employment; the planter and farmer found a ready market for their produce; and the merchant became wealthy. The case is altered now. The mechanic is without business; the farmer finds no market; and the capitalist, instead of growing rich by the interest of his money, is forced to live upon the principal, unless he choose to fatten upon the misfortune of his neighbors. Can all this be the effect of luxury? Extravagance makes money change its owners, but does not banish it from a country, if that country be otherwise in a flourishing condition. We must abandon, it is true, our habits of show and parade, in order to accommodate ourselves to our present reduced condition; but if there be no market for the produce of our soil, and no demand for our labor, our efforts will barely enable us to subsist. To arrest the progress of this evil, and to prevent the enormous exportation of specie, it seems to me that we should furnish ourselves with those articles for which we have heretofore sent our money across the Atlantic.

But let us inquire what remedy the honorable gentleman proposes for the evils which oppress us. Why, sir, he seems to have discovered a "speck of war" in the European horizon, a little cloud, no bigger, at present, than a man's hand, but which he devoutly hopes will increase and overshadow the whole eastern continent. Has it come to this? Are we to confine ourselves exclusively to the cultivation of the soil, even when its produce will not procure us the refuse trash of Europe? Are we to wait in our present situation until a war in Europe shall work our deliverance? The hope of such an event is impious. But suppose it should actually happen; where is our security for its continuance? Must our prosperity forever depend upon the misfortunes of Europe? Shall we be condemned to mourn whenever peace shall bless her shores? Where is the representative who is prepared to leave his country in such a state of vassalage and dependence? We have, sir, at a vast expense of blood

and treasure, established and maintained our political independence; but if the present state of things be without remedy, or, if we have not spirit enough to adopt a plan of reform in our internal policy, we may as well renew our allegiance to the British crown, and save the trouble and expense of governing ourselves.

The gentleman, said Mr. G., seems to concur with the celebrated Dr. Smith, that we ought not to accommodate our pursuits to our circumstances. What else can he mean by warning us not to change the direction of our national capital? The learned doctor informs his readers, that "the tailor does not attempt to make his own shoes, but buys them of the shoemaker. The shoemaker does not attempt to make his own clothes, but employs the tailor. The farmer attempts to make neither the one nor the other, but employs those different artificers." And what reason does the doctor give for all this? It is, according to him, because "all these find it for their interest to employ their whole industry in a way in which they have some advantage over their neighbors, and to purchase with a part of its produce, or, what is the same thing, with the price of a part of it, whatever else they may have occasion for." Will any one deny the correctness of these remarks? Yet, sir, if they be designed as an argument against the present bill, there are not more sophistical and jesuitical sentiments in the English language. They are founded on the assumed fact that the tailor, the shoemaker and the farmer, depend mutually on each other for the particular articles which their industry produces. But let us suppose that the farmer has no longer any "advantage over his neighbor," the tailor, by the cultivation of the soil. Let us take it for granted that he cannot dispose of his provisions; that the shoemaker is supplied from another quarter; and that the tailor supplies himself. Let us imagine, moreover, a very probable case, that, for the want of a market, he cannot purchase, with the price of a part of his produce, the shoes and coats of his neighbors; what shall he do under these circumstances? Shall he remain unclothed and unshod for fear of interfering with Dr. Smith's system of economy? Shall he prefer the cultivation of the soil, naked as he is, which can yield him no profit, to those mechanical arts which will at least secure him from the inclemency of the weather, and preserve him from debt?

The honorable gentleman informs us that manufacturers are no more depressed than other classes. True; but shall

we, for this reason, abandon the country to its fate? Yes, says he, let everything regulate itself; and manufactures will gradually be introduced from necessity. I am satisfied that they will be established, whether we pass this bill or not; for, by permitting things to take their natural course, whilst every other nation is intermeddling with commercial matters, we are reduced to the necessity of suspending almost entirely our foreign importations. We are compelled to provide a home market for our provisions and raw materials. For my part, sir, I am willing to aid the effects of our foolish policy, while they tend to work their own remedy. The good sense of the community is awake. A spirit of inquiry has gone forth, and the progress of opinion in favor of a change of policy is not to be arrested. But if the government does nothing, years of suffering and embarrassment may pass away before the evil will be completely cured. Let us not permit the distresses of our fellow citizens to be the sole cause of reformation. The skillful physician follows the indications of nature, and assists all its operations in throwing off the disease. Let us follow the example, and afford a seasonable encouragement to the manufacturing interest, which is now struggling between hope and despair.

But the gentleman foresees an excise duty if we pass this bill. If he should prove that such will be the result, I cannot see that he will have gained much ground. What has his own system produced? A deficit of $5,000,000 and a yearly decrease of revenue. As to the revenue, the two systems are the same; but in regard to the internal prosperity of the country, the advantage is decidedly in favor of the new plan of economy. The old policy has ruined the revenue by impoverishing the people; the present bill proposes to exclude a portion of foreign commodities, in order to encourage the industry of our own citizens. Let us look back to the late war, and to the measures of government at its close. At the commencement of the contest, we experienced the evils of a want of manufacturing establishments in the most sensible manner. The capitalist began to turn his attention to the subject; but, before a supply could be furnished, the Government was compelled to submit to the disgrace of conniving at a violation of its own laws, and of countenancing smuggling, for the sake of clothing the army. The youth of our establishments, their small number, and the consequent want of competition, caused the high prices for which our manufacturers have been so often reproached. A few years

would have remedied the evil. The lesson then taught us ought not to have been so soon forgotten. We ought to have learned that it was essential to our independence to be able, at all times, to furnish ourselves with many of the articles which we now import from abroad.

But on the receipt of the news of peace, the country seemed mad with joy. Without reflecting on the altered condition of Europe, and not considering that our produce could no longer be disposed of there, Congress formed a tariff on the honorable gentleman's plan—a treasury tariff, a revenue tariff—without regard to the situation of the country. Need I mention the result? The low duties brought upon the nation a perfect deluge of foreign goods. Our infant manufacturing establishments were prostrated; but the individual distress of their proprietors was unnoticed amid the general joy at seeing the national treasury filled to overflowing. We have purchased foreign commodities until we can purchase them no longer. The revenue has declined, and will continue to decline.

I believe, said Mr. G., that the gentleman will find it difficult to prove what he seems to have no hesitation in asserting, that this bill will lessen our exportations. What do England and France purchase of us at present which they can do without? If, therefore, we should encourage the industry of our citizens by manufacturing a portion of our own raw materials, it will by no means interfere with the sale of the remainder.

It is insisted by the gentleman, that this bill will induce capitalists to engage in manufacturing, and that the result will be a competition at home which will reduce the prices of manufactured articles to a level with those of foreign nations. He even predicts that the time may come when foreign commodities will be prohibited. Does any one believe this? Sir, I should hail such an event as the era of our complete independence. The example of England is continually presented to our view. We are told of her continual wars, of her immense debt, of the starving condition of the lower class of her citizens. I am not an advocate of the principles by which she has been governed. The gentleman says that her vast population has compelled her to resort to manufacturing for their support; but I say, sir, that her manufacturing system has produced her vast population. By manufacturing for exportation, she has subjected herself to the same inconveniences to which we are liable by not manufacturing at all. She has rendered herself dependent on a

foreign market for the sale, not of the produce of her husbandmen, but of her mechanics. To preserve this foreign market, she has for a century kept Europe involved in war. She has oppressed Ireland, enslaved India, and cheated the rest of the world. The difference between her and ourselves is, that *we* are dependent on foreign countries for the *purchase* and *she* for the *sale*, of manufactured articles. But is there no medium between being dependent on foreigners for the purchase or sale of the necessaries of life? Could we permit our industrious citizens to furnish a supply for home consumption, we should be dependent on neither the one nor the other. Must we of course manufacture for exportation, if we manufacture at all? By no means. The effect of a judicious encouragement of the mechanical arts will be to retain in the country the cash which is now paid to foreigners. Will this be nothing? Is it nothing to prevent the annual exportation of thirty millions of specie? This bill will enable us in peace and in war, to set at defiance the worst possible state of the European markets, and leave us free to profit by every change in our favor.

This bill has a national object in view; and individual considerations should be laid aside. We have heard much wrangling from a quarter whence it should have been least expected. The very people who are most interested in the passage of this bill, and whose demands for the encouragement of their peculiar industry have almost uniformly been complied with, are clamorous about a miserable tax of five cents a gallon on molasses. My constituents are deeply interested in the proposed increase of duty on bar iron; but I am proud to believe that, should it be stricken out, I should forfeit their confidence by voting against the bill.

The foregoing speech of Mr. Gross was delivered the 24th of April. The debate, in which some of the ablest speakers participated, was continued until the 29th. Those who further spoke upon the bill, and whose speeches are reported at length, were, Messrs. Baldwin, Clay, M'Lane, of Delaware, M'Kinsey, of New Jersey, in favor of the bill; and Messrs. Silsbee, Whitman, and Holmes, of Massachusetts, Alexander, Archer, and P. P. Barbour, of Virginia, and Lowndes, of South Carolina, in opposition. The designed limits of this work forbid our giving copious extracts from these speeches. This is rendered the less necessary, as not many new points were raised in the discussion. Yet as some of the topics embraced in the debate were presented in a somewhat different light, we make a few additional extracts.

To the remark of Mr. Tyler, that the United States stood in relation to the rest of the world as a granary, Mr. Storrs, of N. Y., replied, that, if this country were a granary, it was one which permitted our grain to remain on our hands. Mr. Alexander, of Va., in allusion to this, asked, If we were cut off from the extensive market that is now opened for the reception of our produce, and were confined to the United States, would we not be more properly a granary in the sense in which he [Mr. Storrs] used the word? Mr. Alexander and others who then so highly appreciated the foreign markets for the produce of the American farmers, little thought that, within a few years, three of the Eastern manufacturing States would buy more of the surplus breadstuffs of the country than all the rest of the world; as was actually the case soon after the passage of the tariff act of 1824. Nor did those members from Massachusetts, who so zealously opposed the bill, suppose that the people of that State would so soon send to Congress a delegation almost unanimous in favor of a high protective tariff.

It will be recollected that the abolition of credits on duties had been prayed for by some of the petitioners for protection. This question of cash duties was to some extent involved in the discussion on the tariff. The continuance of the credit system was advocated by the opponents of protection.

Mr. Baldwin said, in reference to the long credits, which were given for the duties on goods imported from Europe, from eight to twelve months, and on those from the East Indies from eight to eighteen months—that he did not object so much to their expediency at the time of their adoption, as to their being continued and enlarged after the reasons for granting them had ceased, and when their effects had become injurious to all parts of the country. They were granted for the benefit of American commerce, and as facilities to American merchants; but they now operate to the destruction of the one, and the impoverishment of the other. By selling the goods at auction for cash, or on short credits, for notes which can be discounted at bank, the amount of duties thus loaned may be invested in a new voyage. Generally one, and often two adventures may be completed, before the duties on the first are due. In the year 1819, there were entered, in the custom-house in New York, 32,958 packages of foreign goods, of which 24,659 were on foreign account, 8,299 only on American account. Thus, in the proud emporium of our commerce, where capital is abundant, and in vain seeking

profitable employment, three-fourths of the importations appear to be on foreign account, the sales of which, for the most part, are by auction. England, who fought the common battles of herself and other nations, and who paid them for fighting for themselves, now finds her manufactures mostly excluded from the Continent; her merchants and manufacturers seeking rather for some market than a good one. Few nations will buy from them at all; none but this will furnish them with a capital on a long credit without interest. Mr. B. showed, by an example, how the American merchant, by this system, became a loser, while the foreign manufacturer was a gainer. This, said he, accounts for the cries of distress which assail us from the commercial cities, imploring us to abolish credits on imposts, and impose heavy duties on auction sales.

Speaking of the present condition of the country, Mr. B. said:

You have tried imposts till your revenue has left you five millions short of your expenses; credits, till one-fifth is in suit; importations on foreign accounts, till your commerce is destroyed; auction sales, till your merchants are idle, (their hopes resting upon a bankrupt law;) foreign goods, till your manufactures are abandoned; foreign markets, till your farmers find their produce rotting on their hands; and yet it is contended that the continuance of this condition of the country is necessary for its welfare; that a change will be ruinous. If the universal distress can not be easily traced and satisfactorily accounted for, when called on, as you have been this session, by the people of the country, they will expect some better answer to their petitions than these alarms, which are always raised whenever there has been any attempt to adopt measures of vital importance. When you urge them, you must give reasons; show how the present system will restore, how the proposed one will injure us; show how internal industry will injure internal prosperity; how idleness promotes national strength or individual wealth; and, above all, satisfy the farmer for whose interest there is so much anxiety, how he is to be injured by buying his clothing of those who will purchase his produce. Now, the surplus of his farm will not clothe his family and procure him his utensils. Now he understands what is meant by buying cheap; that it does not consist in the price of the article he wants, so much as in the price of the article with which he is to make payment. When cloth is at ten dollars a yard, and

flour at ten dollars a barrel, one pays for the other—cloth at six dollars and flour at three, the cloth to the farmer has doubled in price; the barrel of flour procures but half a yard of cloth. These things will be understood. There is no mystery in political economy; it is a plain, simple calculation of what is bought by the least labor and the smallest quantity of produce. That article is the cheapest which the consumer pays for the most easily.

What encouragement does the importer or retailer of foreign goods now give the farmer? What injury has a manufacturer in his neighborhood, or a market at his door, ever done him? Is it better for him to seek a market by navigation of 3,000 miles, when found glutted by supplies from other sources, the price less than at home; the home market destroyed by the eagerness for a foreign? Shall all competition be destroyed, our produce left at the mercy of other nations who have agricultural interests of their own to protect? Are they better friends to the American farmer than even our own Government? their citizens than our own citizens? These are questions which must be answered in some other way than "you will ruin the country."

Mr. Silsbee, of Mass., opposed the change proposed by the bill, in shortening the credits on duties, as imposing new restrictions and additional burdens upon the commercial and navigating interest. The revenue from the customs, in 1818, said Mr. S., was $21,828,451; of which $5,410,320 accrued on articles which are entitled to a credit, according to the provisions of this bill; and $16,631,852 were derived from articles which are to be liable to be cash payment of duties. So that less than one-fourth part of the amount of duties are to have the benefit of a credit of three and six months, and more than three-quarters of the duties are to be paid in cash. The merchants of the United States are at this time under bonds to the Government for the payment of about $20,000,000 within a year. Should this bill pass, and not lessen the amount of duties that would otherwise accrue, it will require from the merchants a further payment of $10,000,000 or $15,000,000 more, making $30,000,000 to $35,000,000 within a year from the time this bill takes effect. Can the commercial interest bear an additional assessment of 50 to 75 per cent. at a time when it is all but impossible to comply with their present engagements?

It has been said that credits now given operate as loans to the importers. This may be the case in some instances;

and equally true that in many, and I believe I may say in most cases, the duty is paid to the Government before it is received from the consumer. If merchants are compelled to pay the duties before they can realize them from the proceeds of the goods, the effect will be to lessen their business, and, consequently, to lessen the revenue.

Respecting the "balance of trade," Mr. S. said: We have heard much about the balance of trade, which is said to have been very much against this country for a number of years past; and gentlemen seem to have made up their opinions on this subject from the custom-house returns of imports and exports. In the first place, these returns are very imperfect; but if otherwise, they would not afford, (as now made,) a correct means whereby to ascertain the balance of trade. They might guide us to a tolerably correct conclusion, if our exports were sold, and our imports purchased on our own shores. But these alone, however correctly made, are not sufficient for a commercial nation. We are the carriers of the greater part of our own exports and imports; therefore the advantage of freight and profit (where there is any) is to be brought into the calculation. The imports may even exceed the exports, without creating a balance against us.

Mr. Alexander, of Va., on the same subject, said: We had heard a great deal said on the importance of preserving a favorable, or at least of a just balance of foreign trade. There was no topic connected with the knowledge of political economy so little perplexed and difficult in its nature, which appeared to be so inadequately understood as this,—of the degree of interference which was required, by good policy, to be exerted in adjusting the results of foreign commerce. The truth was, that the balance of trade, foreign or domestic, not only required no exertion of care for its preservation, but was not the subject of possible permanent derangement. Any temporary inclination which might be occasionally communicated to this balance, was liable to immediate and inevitable self-correction. The continuance, for any considerable period, of an unequal state of the foreign balance, (if such a condition of things were of possible continuance,) would operate as a mischief, instead of a benefit, to the nation in whose favor it prevailed, inasmuch as it would render the countries against which the balance was found unable to discharge the debts created by their purchases.

Mr. Whitman, of Mass., on the effects of extraordinary encouragement to manufactures, said: Great manufacturing

establishments are not desirable in our country. They would have an influence over the people that is to be dreaded. They have but one interest—an interest adverse to commerce, and oppressive to agriculture. Their owners can instantly unite, and will unite, from one extreme of the country to the other, to accomplish any favorite purpose. Even in monarchies—in strong Governments—we have seen that they are with difficulty kept from an undue influence. . . . . This wide-spread combination, guided by the dictates of common interest, will do as they have done: they will move heaven and earth to accomplish their designs. I beg leave to quote a book written by one of the most ingenious and critical observers of men and things in his own, or, perhaps, in any other country. Speaking of the manufacturers in England, he says: "They are aware of their own numbers. The moral feeling which, in the peasant, is only blunted, is, in these men, debauched. A manufacturing population is always ripe for rioting. The direction which it may take is accidental. In 1780, it was against the Catholics; in 1790, against the Dissenters. Governments who found their prosperity upon manufactures, sleep upon gunpowder."

Mr. Archer, of Va., said there was a single consideration which was conclusive against the policy of giving the proposed encouragement to manufactures, and that was the fact of their inability, independently of artificial support, to maintain themselves, in the neighborhood of the most abundant supply of their most essential materials. If they required further advantage, in the competition with foreign fabrics, than exemption from the multifarious expenses incident to the transport of the material, and re-transport of the wrought article between Europe and this country, the inference was irresistible against their claims to extraordinary encouragement. Mr. A. also opposed the argument in favor of the protection of manufactures with the view to our independence of foreign nations. Absolute independence of other nations, for the purposes either of the vent of our productions, or of the supply of our wants, was an object unattainable except by the annihilation of foreign commerce.

But the objection of greatest force to an extended manufacturing system, said Mr. A., related to the character of the population it tended to form. What kind of a population was it? A population distorted and decrepid, as respects both bodily endowments, equally marked by imbecility and abasement. In large manufacturing establishments, phys-

cal and moral evils found their source of refuge. It was in such nurseries that pestilence was most accustomed to take its birth and collect its venom. The moral evils derived from the same sources were no less conspicuous. It was not less true of moral than of material objects, that, when collected and kept in groups and masses, they were prone to undergo a fermentive process, and to assume a putrefactive condition. Among civilized nations, accordingly, the heated and surcharged atmosphere of extensive manufacturing establishments was found to present the situation most unfavorable to moral sanity.

It was in a political view, however, the evil of an extended manufacturing population was the most striking. This portion of population was not to be excluded from political rights. And what was their qualification likely to prove for the exercise of such rights? Depending for the means of occupation and subsistence on the class of employers, they were liable to become the mere instruments of that class, in the discharge of political functions. Let occasions of severe general distress, or of political excitement, be taken into view, and in what light was this population to be regarded? As an element of civil distemper, distributed throughout the State, liable, with the slightest incitement, to be awakened into paroxysm. Yet a far worse characteristic was its tendency, through this liability to disorder, to give occasion to an arbitrary administration of Government, and, finally, to injurious changes in the form of it.

Upon the whole, Mr. A. regarded the bill as neither just in its principles, nor equal in its operation. To the general principle of the measure, he said he could not express his objections more aptly than in the reason assigned by an ancient English patriot, when called to expiate his attachment to liberty on the scaffold for resistance to an arbitrary Government. He said he had never been able to discover that "some men came into the world with saddles on their backs, and others booted and spurred to ride them." Neither could Mr. A. admit that parties came into the Federal Union in any such relative conditions. And he would take occasion to warn gentlemen who thought, by means of the present or any other injustice, to mount upon the backs of the Southern people, that they would find their seats neither pleasant nor so entirely secure, but that they might chance to encounter a fall, from the effects of which it might not be easy to recover.

Mr. Clay spoke at length in support of the bill; and in the

course of his speech, touched upon many points, a few of which only are we permitted to notice. The first important inquiry, he said, was, whether it were desirable that such a portion of our capital and labor should be employed in the business of manufacturing, as would furnish a supply of our necessary wants. Since the colonization of America, the principal direction of the labor and capital of the inhabitants had been to produce raw materials for the consumption or fabrication of foreign nations. We had always had, in great abundance, the means of subsistence; but we had derived chiefly from other countries our clothes and instruments of defense. Except during those interruptions of commerce arising from a state of war, or from measures adopted for vindicating our commercial rights, we had experienced no great inconvenience from this mode of supply. But, said Mr. C., a new epoch had arisen; and it becomes us to contemplate our actual condition, and the relations which are likely to exist between us and the other parts of the world. We double our population in about twenty-five years. If there be no change in the mode of exerting our industry, we shall duplicate, in the same time, the quantity of our exported produce. Europe, including such of her colonies as we have free access to, taken altogether, does not duplicate her population in a shorter term probably than one hundred years. Hence it is manifest, that the powers of the consuming countries will be found unequal to those of the supplying country. I believe we are already beginning to experience this want of capacity in Europe to consume our surplus produce. For our bread-stuffs we have now scarcely any foreign demand.

But, say gentlemen, there are some inherent objections to the introduction of the manufacturing system into this country; and we are warned by the example of England, by her pauperism, by the vices of her population, her wars, &c. It would be a strange order of Providence, if it were true, that he should create indispensable wants, and yet should render us unable to supply them without the degradation or contamination of our species. Pauperism is, in the general, the effect of an overflowing population. Manufactures may produce a redundant population; but so may commerce, and so may agriculture. Many parts of Asia would exhibit, perhaps, as afflicting effects of an extreme prosecution of the agricultural system, as England can furnish respecting the manufacturing. It is not, however, fair to argue from these extreme cases, against either the one system or the other.

There are abuses incident to every branch of industry, to every profession. Even in England, it has been established by the diligent search of Colquhoun, from the most authentic evidence, the judicial records of the country, that the instances of crime were much more numerous in the agricultural than in the manufacturing districts; thus proving that the cause of wretchedness and vice in that country, was not in this or that system, so much as in the density of its population.

France resembles this country more than England in the employments of her population; yet, we do not find anything in the condition of the manufacturing portion of it which ought to dissuade us from the introduction of manufactures. But even France has not that great security against the abuses of the manufacturing system, against the effects of too great a density of population, as we have in our waste lands. Whilst this resource exists, we have nothing to apprehend. Do capitalists give too low wages? Are the laborers too crowded, and in danger of starving? The unseated lands will draw off the redundancy, and leave the others better provided for.

The manufacturing system is favorable to the maintenance of peace. Foreign commerce is the great source of foreign wars. The eagerness with which we contend for every branch of it; the temptations which it offers, operating alike upon us and on foreign competitors, produce constant collisions. No country on earth, by the extent of its superficies, the richness of its soil, the variety of its climate, contains more abundant facilities for supplying all our national wants than ours does. It is not necessary or desirable, however, to cut off all intercourse with foreign powers. But after securing a supply, within ourselves, of all the great essentials of life, there will still be ample scope for preserving such an intercourse. If we had no intercourse with foreign states; if we adopted the policy of China, we should have no external wars. And in proportion as we diminish our dependence on them, we lessen the danger of the recurrence of war.

The tendency of reasonable encouragement to our home industry, is favorable to the preservation and strength of our confederacy. Now our connection is merely political. For the sale of the surplus of our agricultural produce, all eyes are constantly upon the markets of Liverpool. There is scarcely any of that beneficial intercourse—the best basis of political connection, which consists of the exchange of the

produce of our labor. On our maritime frontier, there has been too much stimulus, an unnatural activity ; in the great interior of the country, there exists a perfect paralysis. Encourage fabrication at home, and there will instantly arise animation and a healthful circulation throughout all parts of the Republic. The cheapness, and fertility, and quality of our new lands, offer such powerful inducements to cultivation, that our countrymen are constantly engaging in it. I would not check this disposition by hard terms in the sale of it. Let it be easily accessible to all who wish to acquire it. But I would countervail this predilection by presenting to capital and labor motives for employment in other branches of industry. Nothing is more uncertain than the pursuit of agriculture, when we mainly rely upon foreign markets for the sale of its surplus produce ; first, because we cannot determine the amount of this surplus ; secondly, we cannot anticipate the extent of the foreign demand.

But gentlemen say, " Let things alone ; all will come right in the end." Now, I agree with them that things would ultimately get right ; but not until after a long period of disorder and distress, terminating in the impoverishment, and perhaps ruin of the country. If gentlemen, by their favorite maxim, mean only that, within the bosom of the State, things are to be left alone, and each individual, and each branch of industry allowed to pursue their respective interests, without giving a preference to either, I subscribe to it. But if they require that things are to be left alone, in respect not only to interior, but to exterior action also ; not only as regards the operation of our own Government upon the mass of the interests of the State, but also as it relates to the operation of foreign Governments upon that mass, I dissent from it.

The maxim in this enlarged sense, is indeed everywhere proclaimed, but nowhere practiced. It is truth in the books of European political economists ; it is error in the practical code of every European State. It is not applied where it is most applicable ; it is attempted to be introduced here, where it is least applicable : and even here its friends propose to limit it to the single branch of manufacturing industry, whilst every other interest is encouraged and protected, according to the policy of Europe. The maxim would best suit Europe, where each interest is adjusted to every other, by causes which have operated during many centuries. Everything there has taken and preserved its ancient position.

There, everything has found its place and its level, and everything, one would think, might there be safely let alone. Here, everything is new and unfixed. Neither the State nor the individuals who compose it, have yet settled down in their firm and permanent positions. There is a constant tendency, in consequence of the extent of our public domain, towards production for foreign markets. The maxim, in the comprehensive sense in which I am considering it, to entitle it to observance, requires two conditions, neither of which exists: first, that there shall be perpetual peace; secondly, that the maxim shall be everywhere respected. If there be no reciprocity—if on the one side there is perfect freedom of trade, and on the other a code of odious restrictions, will gentlemen still contend that we are to submit to such an unprofitable and degrading intercourse? I will not enter into a detail of the restrictions with which we are everywhere presented in foreign countries. I will only assert that they take nothing from us which they can produce themselves, even on worse terms than those upon which we could supply them.

Take again, as an example, the English corn laws. America presents the image of a fine, generous-hearted young fellow, who has just come to the possession of a rich estate; an estate which, however, requires careful management. He makes nothing; he buys everything. He is surrounded by a parcel of Jews, each holding out his hand with a packet of buttons or pins, or some other commodity, for sale. If he asks these Jews to buy anything which his estate produces, they tell him no; it is not for our interest; it is not for yours. Take, says one of them, this new book on political economy, and you will there perceive that it is for your interest to buy from us, and "let things alone" in your own country.

But this maxim, which requires us to abandon our home industry to the influence of the restrictive system of other countries, is not observed by gentlemen in regard to the other great interests of the nation. We protect our fisheries by bounties and drawbacks. We protect our tunnage, by excluding or restricting foreign tunnage exactly as ours is excluded or restricted by foreign States. We passed, a year or two ago, the bill to prohibit British navigation from her West India colonies to the United States, because ours was shut out from them. We have now upon our table bills connected with that object, and proposing restrictions upon the French tunnage, to countervail theirs upon ours. The General Government, from its first formation to the present time,

has nourished and protected the foreign trade. Why have not all these great interests been left to the operation of the gentleman's favorite maxim? Sir, it is perfectly right that we should have afforded this protection. And it is perfectly right, in my humble opinion, that we should extend the principle of it to home industry. I am a friend to foreign trade; but I protest against its being the monopolist of all the favor and care of this Government.

The general measure of the protection which the proposed tariff affords, is pronounced immoderate and enormous. Yet no one ventures to enter into a specification of the particular articles to show that it deserves to be thus characterized. . . . The grain growing country, the fruit country, and the culture of cane, would all be benefited by the duty. Its operation is said, however, to be injurious on a certain quarter of the Union. It is not to be denied, that each particular section may feel some one or more articles of the tariff to bear hard upon it, during a short period; but the compensation is to be found in the more favorable operation of others. I am fully persuaded, that no part of the Union would more largely share in the aggregate of the benefits of the tariff than New England. No quarter of the Union can urge, with an iller grace, objections to a measure having for its object the advancement of the interests of the whole; for none has participated more extensively in the benefits flowing from the General Government. Her tunnage, her fisheries, her foreign trade, have constantly been objects of federal care. There was expended the greatest portion of the public revenue. The building of the public ships; their equipment; the expenses incident to their remaining in port, chiefly took place there. That great drain upon the revenue, the Revolutionary pension law, tended principally to New England. I do not complain of these advantages which she enjoys. She is probably fairly entitled to them. But gentlemen from that quarter may at least be justly reminded of them when they complain of the onerous effect of one or two items of the tariff.

If this bill shall be defeated, what account shall we render to our constituents on our return among them? . . . Can we plead ignorance of the general distress, and of the ardent wishes of the community for that protection of its industry which this bill proposes? No, sir; daily, almost throughout the session, have we been receiving petitions, with which our table is now loaded, imploring us to extend this protection.

Unanimous resolutions from important State Legislatures have called upon us to give it; and the people of whole States, almost in a mass—of New York, New Jersey, Pennsylvania, and Ohio—have transmitted to us their humble petitions to encourage the home industry. Let us not turn a deaf ear to them. Let us not disappoint their just expectations. Let us manifest, by the passage of this bill, that Congress does not deserve the reproaches which have been cast upon it, of insensibility to the wants and sufferings of the people.

The debate closed on the 29th of April; and a motion was made to postpone the bill to the next session, which was negatived: Yeas, 78; nays, 90.

The question on the final passage of the bill was then taken, and decided in the affirmative: Yeas, 91; nays, 78, as follows:

*New Hampshire:* Nays, 5. *Massachusetts:* Yeas, 10; nays, 7. *Rhode Island:* Yeas, 2. *Connecticut:* Yeas, 5; Nay, 1. *Vermont:* Yea, 1; nays, 4. *New York:* Yeas, 25. *New Jersey:* Yeas, 6. *Pennsylvania:* Yeas, 22; nay, 1. *Delaware:* Yeas, 2. *Maryland:* Yeas, 2; nays, 7. *Virginia:* Yea, 1; nays, 18. *North Carolina:* Yea, 1; nays, 12. *Georgia:* Nays, 6. *Kentucky:* Yeas, 5; nays, 3. *Tennessee:* Nays, 5. *Ohio:* Yeas, 6. *Indiana:* Yea, 1. *Illinois:* Yea, 1. *Mississippi:* Nay, 1. *Louisiana:* Nay, 1.

The bill was taken up in the Senate on the 4th of May. A motion was made by Mr. James Barbour, of Virginia, to postpone the bill to the next session; and after a debate of several hours, in which Messrs. Barbour, of Va., Dickerson, of N. J., Burrill, of Rhode Island, and Otis, of Massachusetts, participated, the question was taken, and decided in the affirmative: Yeas, 22; nays, 21.

# CHAPTER VI.

Session of 1820–1821. Report of the Committee on Manufactures. Counter Report of the Committee on Agriculture.

WHATEVER hopes the friends of the adjourned tariff bill of 1820 may have entertained of its passage at the succeeding session, it is evident from the remonstrances presented to Congress, that such a result was feared by its enemies. The memorials at this session seem to have been more numerous against, than in favor of the passage of the bill, and the consequent increase of duties on imports.

Mr. Baldwin, from the Committee on Manufactures, to whom the memorials had been referred, again made a report to the House. This report is one of unusual length. It represents the condition of the country as in no measure improved. It says that at the end of thirty years of its operation, the Government finds its debt increased $20,000,000, and its revenue inadequate to its expenditure; $35,000,000 drawn from the people by internal taxation, $341,000,000 by impost, yet the treasury dependent on loans; in profound peace, and without any national calamity, the country embarrassed with debts, and real estate under rapid depreciation; the markets of agriculture, the pursuits of manufactures, diminished and declining; commerce struggling, not to retain the carrying of the produce of other countries, but our own. It is not a common occurrence in the history of nations, that in peace the people should call on the Government to relieve their distresses; and the Government should reciprocate the call, and ask the people to relieve the Government.

For the first twenty-two years we enjoyed all the advantages of peace at home, and war abroad. We prospered amidst the distresses of others. But it ought not to be said of a Republic, that its institutions are calculated only for a state of foreign convulsion; that it can flourish only when others suffer. History does not furnish another instance of a nation relying on the importation of goods as the almost exclusive source of revenue. In every other nation, agriculture, manufactures and commerce, have been deemed inti-

mately connected, each necessary to the growth of the other, all essential ingredients of national happiness ; in ours there is said to be an hostility deep, inveterate and incurable. To every individual among us, it is the first lesson of economy to earn more than is expended, to sell more than is bought, to export more than is imported ; yet this is said to be bad policy for a nation.

Our population has, within the thirty years of the present Government, increased nearly three-fold ; of the aggregate of our exports, cotton excepted, there is scarcely any increase. In cotton, there has been not only a prodigious increase, but, as it were, a new creation. The value of this article exported is to the amount of all our exports, as twenty-two to fifty-one. It exceeds all the other agricultural productions of the country, but can be raised only in southern sections. To them and the nation at large, it is of infinite interest ; it relieves the general gloom ; but to sixteen States it affords no profits, except by carrying and consumption : it furnishes no foreign market for other productions.

When the statesman has compared the imports with the exports, he can well account for the following view of our situation, as given in the Treasury report on the currency :

" The currency of the United States has in three years been reduced from $110,000,000 to $45,000,000. The reduction exceeds fifty-nine per cent. of the whole circulation of 1815. All intelligent writers upon currency agree, that, where it is decreasing in amount, poverty and misery must prevail. The correctness of this opinion is too manifest to require proof ; the entire voice of the nation attests it accuracy. As there is no recorded example in the history of nations of a reduction of the currency, so rapid and so extensive, so but few examples have occurred of distress so general and so severe as that which has been exhibited in the United States."

Without inquiring whether the state of the currency is a cause or an effect, it is enough to know and feel the melancholy truths thus avowed. The sea, the forest, the earth, yield their abundance ; no calamity has visited the people ; peace smiles on us ; plenty blesses the land. Whence, then, this universal burst of distress ? When the bounties of Providence fail to prove beneficent in their effects, man must be perverse, or Government unjust. Past the thirtieth year of our existence, in the present form, approaching the fiftieth of independence, and, counting from the year of its recog-

nition, we have had fewer months of war than years of peace; yet abundance cannot relieve our wants; the market for the one, the supply of the other, are neither within the control of the people, nor directed by the Government. A Government, too, of the people's choice, bound to reward filial attachment by national protection, it was not instituted—it is not supported—to suffer all the interests of the nation to be writhing under foreign policy, and while imploring relief, to be sunk under the appalling answer, "regulate yourselves."

The following remarks on the decrease of the currency and the "balance of trade," deserve special attention.

The estimate of the Treasury Department is that, in three years, the currency of the country was diminished $65,000,000, counting from 1815; that this diminution has produced unexampled distress. How has it produced this state of things? If the currency has been thus reduced, it has been from the want of employment. There is, perhaps, more specie in the United States than at any former period; but it is not currency while it is unemployed. Bank notes are currency when they are current and in circulation; but while they are in the bank, they are no more currency than if they had not been signed. The diminution of the currency is, therefore, not owing to its extinction, but to the want of use and employment. There is now but the one duty for it to perform—remittance. The materials of currency are abundant, but no occupation to set them in motion. $65,000,000 has been withdrawn from circulation, because there has ceased to be any cause to produce action. In 1815, the production, fabrication, and distribution of the country, kept $110,000,000 of currency in active operation; the business of the nation required it. Now it is reduced to $45,000,000, for this plain reason: the country requires no more. The history of those three disastrous years, will tell us the kind of business which has so decreased as to bring about such consequences. It is not the business of importation of foreign goods, for it was never so great; if they add to a nation's wealth, riches have indeed flowed over the land without stint. It is not the business of remittance which has so decreased; so far as that is an employment for currency, it still continues in full activity, requiring not only money, but bank stock, public stock, book debts, notes, bonds, judgments and bankruptcies, to pay the balance against us. Unless it shall be first made to appear, that the state of our foreign trade is such that the bal-

ance sheet is in favor of our merchants, that the foreign manufacturers and exporters are the debtors and not the creditors of our merchants, foreign importations call for more currency.

If the balance of trade is against us, and more remittance is required, then there is one employment for currency left, and the reduction is not for the want of importations to keep it active. If, on the other hand, there are no remittances due, no employment for the currency, the falling off in importations may, in such case, be put down as one leading cause of the decrease of the currency and growth of public misery. It solves at once the great question: What is that employment of currency which adds to and secures general wealth, and guards against poverty—imports, or exports; foreign, or domestic manufactures? It is a subject on which volumes have been and will be written. Authors, reviewers, essayists, statesmen, and printers, can never convince each other by any thing depending on reasoning. But there is one book that contains the convincing argument which none can resist—the importer's ledger. If the excess of exports over imports is the measure of a profitable trade, the merchant's ledger will show it, he being the only person concerned in the trade. If he pays for the goods imported, his and the country's profits are the same. Now this book shows whether the excess of imports or of exports is the profit. If he has paid for all imports, and has a balance of goods on hand, or of money due him, the trade is profitable. To settle at once this great controversy—to exhibit such a case as will prevent a recurrence of another attempt to induce Congress to pass a law which shall never destroy agriculture, commerce, revenue, and all the interests of the nation—let the importers of foreign goods proudly exhibit their balances on the credit side, if they exist: they must increase their credit, and convince Congress that importations add to national and individual wealth. The Committee would withdraw their recommendation of manufactures, when one small item of information should be communicated. For what purpose are stocks sent to Europe? Why are foreign collectors seen in our commercial cities? property sold by foreign plaintiffs and assignees, and, probably, not an instance of an importer's insolvency without foreign creditors in the schedule? If the balance is favorable, why is not opposition silenced where it is so easily done? When it is not done, the fair inference is that it can not be done. It may then be conceded, that there is yet em-

ployment for currency in remittances, and that this has not been the source of its useful or profitable occupation.

This at once settles the great mystery, and settles the great question. It points to that use and circulation which makes the amount and activity of currency the test of general prosperity—internal, not external. It accounts for the eagerness of foreign nations, foreign artisans, merchants abroad, and foreign agents among us, to monopolize that circulation, from hand to hand, through the whole round of internal commerce, which gives it vigor and profits. It accounts for the willingness of all of them to leave to us the miserable and ruinous circulation of currency for remittance to them. Foreign writers and foreign statesmen may well inculcate on ours the doctrine, that the excess of imports over exports is the rate of profits. Their doctrines are like the profits—sound and solid to the nation that reaps the benefit. Whether that nation is the one which pays, or the one which receives ; the one which holds the coin, or the one which hears it jingle ; the one whose currency flows in a torrent-like stream beyond its jurisdiction, never to return, or the one whose currency becomes a steady, gentle current, meandering through every occupation within the great circle of national industry, giving use and value to every production, floating to every market ;—the state of the currency and of the nation furnishes convincing proofs.

It is then no longer left to conjecture why this country flourished in war, and has become depressed in peace ; why the people could then pay the Government twelve millions of internal taxes a year from sources that would not now furnish one. They had a currency ; it was active ; it reached every man. Manufactures flourished every where within the sphere of their operations ; all the agriculture of the country flourished with them ; it was depressed only in those parts of the Union beyond their influence. Profits remained where they were required ; they were impelled out through the arteries, and returned through the veins. Each occupation, being healthy and active, aided another ; and their united efforts were felt by the nation. And where manufactures are yet flourishing, the same effects are still felt. The sphere of their action bounds the circle of circulation. Beyond that circle there is scarcely a circulation left, except in the cotton-growing States. There it continues, because foreign policy, and the interest of foreigners, will not suffer its exclusion from a market. But in all the grain-raising States, those

abounding in raw materials for manufactures, and population, fuel, and machinery to conduct them, the prospect is gloomy indeed. The fertile soil of the interior and the West produces measureless products; roads, canals, and noble rivers, afford infinite means of distribution; but there is no market, no employment. Foreign systems with unresisted, unchecked sway, have attained the command of our consumption, deny the use of our own products, monopolize the profits of converting rough materials into manufactures, and would have acquired the profits of their distribution, had this Government "let it alone."

The report replies to the principal objections brought against the protective system; the answer to only one or two of these objections will be given. Says the report:—

But the great objection to the bill—the one that is pressed in all the memorials as the foundation of all the opposition—is, that the increase of duty is, of course, an increase of the price to the consumer. This is admitted to be true as to those articles the sole supply of which is by importation, but no further. Even here, the increase of price accrues to the public treasury. It can not go to the manufacturer till he brings his products to market and sale. Before he can profit by the rise, he must check the foreign competition by acquiring a part of the supply or custom. He can not do this by exacting a higher price, unless the quality of his goods is proportionably better. If he puts down foreign competition, and monopolizes the market, it must be done by making better or selling cheaper, and by such amount as will equal the freight and the importer's profit; for the importation will continue while the article will yield either. If the market should be divided between foreign and domestic supply, it would keep both at the same price, and, while this continued, would operate as a tax to the consumer; and it would be temporary or not, as the country would have the means of furnishing a sufficient amount for the demand. If it would, and the price afford a profit to the maker, the competition must cease, by reducing the price so as to exclude the foreign. If the country could not produce enough, the policy of imposing more than a revenue duty might well be questioned. But true "economy to the consumer" would be a permanent reduction by a mere temporary increase of the price. There can, then, be but one class of manufactures, a duty on which can tend to the benefit of the manufacturer at the expense of the consumer—that of which a competent supply can not be

furnished by our own resources. If such are discernible in the proposed measure, they ought not to be retained for the mere emolument of the manufacturer.

The great articles of consumption are such as can be supplied from our own soil, and by the employment of our own labor and machinery. It is a fact which can not be too often repeated, which has been verified by every experiment, confirmed on every trial, that, *when the domestic market has been secured to the domestic manufacturer, domestic competition has reduced the price to the consumer.* Every family in the country which consumes coarse cotton goods, is now deriving a direct and positive advantage from the highest duty on any manufactured article in the present tariff: it is better in quality, and obtained at a cheaper rate, than the imported article was before the duty was laid. No theory, no argument, can reason away this fact; it carries conviction to the understanding. This is not a solitary item in our experience; nails, gunpowder, umbrellas, cotton and wool cards, present the same results. The purchaser finds these articles at a reduced price, without asking the cause. He may be an active, a conscientious opponent of the encouragement of domestic manufactures. He may have heard the charge of there being a "tax on the many, a bounty to the few," repeated so often, that it has become impressed upon his belief, while he is deriving a pecuniary gain from their success. Thousands are reaping the profits of a competition among manufacturers who are endeavoring to acquire employment by furnishing a good and cheap supply, while they are charged with conspiring to oppress. As to many articles, of which they can not furnish a full supply, they are enabled to check foreign exaction; and the country, without appreciating it, is deriving great benefit from their enterprise.

Accompanying this report, is a large number of questions addressed, for information, by the Committee on Manufactures to the Mercantile Society of New York, with the answers of the Society. In answer to one of these questions they say:

Common coarse cottons, such as are manufactured in the United States, may be fairly stated to be 50 per cent. lower than in 1811, and are much superior to the piece goods of a similar description from Calcutta.

Cabinet wares are greatly superior, and full 25 per cent. lower.

Gunpowder, 25 to 50 per cent. lower.

Umbrellas, 33⅓ per cent. lower.
Carriages, 50 per cent. lower.
Hats, 25 per cent. lower.
Boots and Shoes, 20 per cent. lower.

Silver ware is now made in this country as cheap as in London, and is 12½ per cent. lower than in 1811.

We will only add a few extracts from the answer to the objection, that the encouragement of manufactures injures agriculture: it is called coercion—a forcing from one occupation to another. During the late war, manufactures flourished; farmers were not forced from their occupation. The planter of the South was not prevented from raising cotton; he had no foreign market, but he had a domestic one. But he felt the practical difference between a market at home and one abroad. The land transportation from the place of production to the place of manufacture and back again, taught him how much of the value of the raw material, to him, was diminished by the intermediate expenses. Had their manufactories been at home, had the same persons who then established them at the North erected them at the South, it would have been called no forcing of occupation, no tax on agriculture. One pound of cotton will now pay for one yard of cotton cloth. When it shall appear that, before the establishment of our cotton manufactories, or since their decline, a pound of cotton has produced more to the raiser, it will be time to answer any additional objections of this kind.

It may be asserted with truth, that, wherever the principle has been fairly tried, it has been found that *the interests of the farmer and the manufacturer have been completely identified: one rises and falls with the other.* This is verified, not only by personal observation, but, in the most impressive manner, by the petitions presented to Congress. Last year thousands of farmers asked you for protection to manufactures. They were from States, in all of which their practical effects had been seen and felt for years. With all the efforts used to excite opposition and alarm during the present year, it is a remarkable fact, that, in the whole scope of country from Maryland to New Hampshire, a solitary petition, memorial, or remonstrance of farmers has not been offered in opposition to the proposed tariff. Those which have been presented are from parts of the country where manufactures never were in operation, and where no correct opinion could be formed of their effects.

No portion of the community is more injuriously affected

by changes in the policy of a country than the farmers; none have suffered more seriously by the repeal of the duties imposed during the war; none felt more practically the dependence on a foreign market for their means of exchange. While they were at his door, the price of goods did not affect him; produce and cotton rose together; the same quantity of one would still buy the same amount of the other. Now the scene is changed; goods remain at the same prices, but it takes three or four times the quantity of produce to purchase the same amount. Till goods fall as much as grain, or grain rises to the price of goods, the farmer pays 200 or 300 per cent. more for them, though they may be quoted at the old nominal rates. He who, in other times, could pay for his iron by produce, or by the use of his teams when their labor was not required on his farm, can now estimate the difference between buying at the forge and at the store. When iron was under a duty of 32½ per cent., personal observation did not cause the objection that it forced the farmer from his occupation, or made it less profitable. When, by the existing tariff, it was reduced from 30 per cent. to $9 per ton, it neither gave new employment, nor increased profits to agriculture.

In extending the observation to all other articles of which our country furnishes the raw material, or which, when made at home, could be paid for in provisions, it is thought to be fully justified by the melancholy experience of the last four years. It has pointed out to the farmer in what true economy consists. It has taught him what is cheap and what is dear; the difference between a market at his door, and one in a foreign country. The books of the merchants, the dockets of justices and courts, tell a story that all can understand. It was not so when manufactures flourished; it will not continue so when they revive. The farmer will be the first to profit by the change.

It is said, this new market can not be afforded; the farmer now feeds all our population, and can feed no more in any event. If this remark were true, it could only apply to provisions. The production of raw materials which have now no value; the extraction of ores and minerals from the earth, which now will not pay the expense; the supply of fuel, which is now useless; the increased demand for potash and dye-stuffs, for the various small items of the produce of the farm, which, though not necessaries, are comforts, and may add materially to the farmer's market, as the same popula-

tion has greater means of payment;—all tend to enlarge his means of exchange, his sources of occupation. The mere necessaries of life are few in number and low in value; their production is not the most profitable employment of agriculture. The garden, the orchard, the dairy, and the poultry yard, the sty and the stall, afford more profit and require less labor than the grain field. The market for their production depends not on the mere amount of population, but the means of that population to extend their purchases beyond necessaries to comforts and luxuries. The supply of these is the farmer's profit. The raising of them employs the labor and attention of children, (who are of little use in the field,) by occupations in which are combined health, pleasure, economy, and industry.

Among the memorials against the tariff, was one from the United Agricultural Societies, of a number of certain counties of Virginia, which was referred to the Committee on Agriculture.

Mr. Forrest, of Pennsylvania, from that Committee, made a report to the House adverse to the proposed increase of duties, and in answer to arguments of the advocates of protection. One of these arguments is that which is derived from the productive power of manufacturing, and the inducements which the quick returns of the home trade, our command of the chief materials for manufacturing, and other propitious circumstances, hold out to the capitalist. The committee consider these as so many reasons against any interference of law. If the times and circumstances have a natural tendency to promote the objects desired, why should we seek to obtain them prematurely, and by oppressive means?

Another argument, says the report, has been founded on the propriety of relieving those who were induced, by the state of things growing out of the late war and the measures which preceded it, to vest their capital in manufactures, and who are now suffering for want of protection. The Government is not bound to indemnify its citizens for all losses that can be remotely connected with its acts. Such a principle would furnish just as good a claim for relief to the farmer and the merchant as to the manufacturer.

Another argument is, that although the system of free trade might be the best, provided other nations would pursue it; yet, if they will not buy of us, we should not buy of them, but should meet regulation by regulation, restriction by restriction. So far from its being contemplated by the manu-

facturers to coerce other nations to relinquish their restrictions, it can scarcely be doubted that such an event would occasion great regret, because it would take away one of the principal arguments on which they have relied for the adoption of their policy. But in whatever the advice "not to buy of foreigners unless they will buy of us," may have originated, it is worse than useless. How is it possible that we should buy of them unless they buy of us? The very word "buy" implies that something is given in exchange for that which is received; and what is giving in exchange but buying? That foreigners do not admit our products on the same terms that we admit theirs, does not render it less true that, in our intercourse with them, there is a complete exchange of equivalents. Undoubtedly the foreign system is injurious to us, and it is certainly not less so to themselves. As long as capital continues to be employed in the foreign trade, it can only be because it is more profitably employed than it could be if it were withdrawn. It would be very unwise, because a portion of our capital is not so advantageously employed as it might be under possible circumstances, to make it less so than it is; because we cannot make things better, to make them worse.

Another argument has been founded on the encouragement which, it is alleged, has been given by Congress to agriculture and commerce, and which, it is urged, affords an equitable claim for encouragement to manufactures. It will hardly be asserted that agriculture and commerce have received greater aids from Government than manufactures. With respect to agriculture, it is not admitted that Government has rendered it any service whatever; and it is moreover believed that it cannot render it any service, unless it be to remove the restrictions which oppress it.* With regard to commerce, it is alleged that it has been encouraged in two ways—by a navy, and by a system of commercial regula-

* The writer of this report, could not, of course, expect our Government to repeal the British "corn laws," and the restrictive acts of other foreign nations, by which American agriculture was oppressed in foreign markets. It was the opinion of Washington, Hamilton, Jefferson, Madison, Monroe, Jackson, and other American statesmen, of no mean rank, that the most effectual way to relieve our agriculture from oppressive restrictions, was to create a *home market*, which was to be preferred to a foreign, because it was "more certain," and not liable to be affected by the legislation of foreign countries. This was to be done by countervailing duties upon foreign goods; in other words, by the protection of domestic manufactures.

tions. The true and legitimate purpose of a navy is the national defense; but if the navy can be considered, in any degree, as intended to protect commerce, it is evidently intended to protect it, not against competition, but against violence; and there can be no doubt that the navy, and the army too, would be employed to protect manufactures if they were assailed by violence. Whether those regulations and acts were intended to encourage the commerce and navigation of the country, or involve a departure from the maxims of letting things alone, and of not taxing one class for the support of another, the Committee are not called on now to decide; but, passing over the navigation laws, that they were intended to be subservient to national defense, by creating a nursery for our seamen, and regarding them purely as commercial regulations, the encouragement they are designed to afford to commerce and navigation, differs, both in nature and degree, from that which has been already given, and which it is proposed still further to extend to manufactures. A nation adopting a restrictive system with a view of coercing another nation to abandon it, is very different from its adopting it as a permanent part of its policy, under the delusive idea of promoting national wealth and independence. It proposes only to forego present for the sake of future and greater advantages.

The Committee repeat a common argument, that, whenever one employment becomes more profitable than another, capital will desert the less for the more profitable. Every such change, however, is attended with the loss, generally, of the whole of the fixed, and a portion of the circulating capital of the deserted occupation. But it is easy to perceive that a duty on a single article may occasion the loss of several such capitals. If, for example, by a duty on foreign boots and shoes, we prevent a certain quantity from being brought into the country, we immediately destroy the market for the commodities which were given in exchange for them; and if this is a manufactured article, we destroy the market for the agricultural product, which constitutes its basis; so that the loss falls ultimately on agriculture.* Now

* This illustration, as well as the inference of the Committee, seems to be based upon the assumed fact, that there is an unrestricted trade between the two countries, and that there is a ready market abroad for agricultural products. But when there is no foreign remunerative market, or none at all, for the "commodities" which the farmer has to give in ex-

if the agriculturists who are thus thrown out of employment, become boot and shoemakers, there would be the loss of only one capital; but if, as is more probable, they should apply themselves to some other branch of agricultural industry, as being more analagous to their recent occupation, and for the same reason, the additional boots and shoes required were made by labor and capital taken from the saddle and harness business, there would be the loss of two capitals. It is not difficult to perceive that the loss might be extended to a greater number.

The Committee object further, to the system of protection, that it tends to diminish production, and, of course, accumulation: also, that the increased cost of consumption, which is one of the means by which this effect is produced, will affect chiefly the laboring classes and the raisers of raw produce. Everything on which the wages of labor are expended, except the products of agriculture, will rise in price; but labor itself cannot rise, and may fall, for the demand for labor created by the new employments will be more than supplied by that thrown out of the old ones; and thus the comforts of the laborer, who will have to purchase dearer with smaller means, will be materially impaired. It is thought, too, that the value of money must be proportionally higher in a country which pursues this system; and this is another circumstance which must injuriously affect the wages of labor.* In the infancy of manufactures, too, the coarser kinds being first

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change for his boots; in other words, if the foreign bootmaker will not receive the farmer's produce in payment, it is not easy to perceive how the farmer would be injured by the encouragement of the manufacture, not of boots only, but other articles, and by the creating of a market for his produce in his neighborhood.

*It is doubtful whether many political economists of note would have concurred in the opinion of the Committee, that creating a demand for labor in a new employment, would injure agriculture, or otherwise "injuriously affect the wages of labor." This, it is believed, will be generally regarded as a novel doctrine—the reverse of that which has been taught by our ablest statesmen, before and since the writing of this report. One of them expresses his views thus clearly on the subject: "Draw from agriculture this superabundant labor; employ it in mechanism and manufactures; thereby creating a home market for your bread stuffs, and distributing labor to the most profitable account, and benefits to the country will result. Take from agriculture in the United States 600,000 men, women, and children, and you will at once give a home market for more bread stuffs than all Europe now furnishes us."—*Jackson's letter to Dr. Coleman, April* 26, 1824.

produced, the tax is chiefly borne by the poor who consume them. This evil is increased, too, by imposing higher duties on the coarser than on the finer manufactures. To tax the poor for the benefit of the poor would be bad enough; but to tax them for the benefit of the rich is intolerable.

The report mentions, as among the evils of the proposed measure, that it would diminish consumption, and, consequently, diminish production, by diminishing the price of agricultural produce—an effect directly the reverse of that which is anticipated by the advocates of the system.

Another source of loss, say the Committee, is the tendency of the system to drive commercial capital abroad; and this it will much more probably do than attract manufacturing capital hither, as well from the superior facility of its removal, as from the distrust which the system is calculated to produce in the equity of the Government and stability of its policy.

A still more alarming effect of the system will be to drive population and capital from one State to another. The poorer agriculturists of the Atlantic States, will be compelled, by the increased cost of consumption, and the diminished price of produce, to go to the West in search of more fertile lands; whilst capitalists will go to those States where manufactures are best established and most flourish.

A still further source of loss is in the effect of this system to drive capital from one kind of manufactures to another. The manufactures that languish will be deserted for those that flourish, or they must be continually bolstered up by new protection. Indeed, even the manufactures that are best established must be sustained in this way, if, as is very possible, by the invention of new machinery, or by any other means which will diminish the cost of production, foreigners can come again into the market, and, in spite of the duties, undersell the American manufacturer. This is one of the most vexatious effects of the system. It will never be done with, but new exactions will be perpetually made.

It is not believed, say the Committee, that any circumstances exist which will justify the United States in adopting the proposed system. To propose to increase the wealth of the nation by increasing its taxes, is enough to revolt the understandings of ordinary men; yet it seems that a mode of doing this has been discovered, and that the whole mystery lies in calling that which was before called tax—tariff. In the opinion of the Committee, it is the worst kind of tax,

carried to the extent that is proposed; and it would be much better to raise a sum of money by direct taxes at once, and distribute it in bounties among the manufacturers. We should then escape at least some of the oppressive effects of the system.

We give but one more objection of the Committee. They say: If we give to manufactures all the activity which they must derive from the agricultural and commercial classes being taxed to support them, we must in time become exporters of manufactures. When this takes place, will we not be exposed to all and greater inconveniences, than we now are from the refusal of foreigners to receive our raw produce? Which would be most apt to suffer from vicissitudes in the affairs of a country—a nation engaged in producing the first necessaries of life? or one engaged in producing luxuries? One employed in producing commodities subject to the caprices of taste and fashion? or one employed in producing those which are essential to human existence? One pursuing occupations with facility? or one pursuing those which can be changed only with great difficulty and loss? What, it is asked, would have been the situation of England—where would have been her independence—if Napoleon had succeeded in carrying into effect his continental system? And now, since this system has been partially adopted by the continental nations of Europe and by ourselves, is not this destruction of the markets for her manufactures, next to taxation, the principal cause of the distress of that nation?

In the Senate, no report was made on this subject. A number of memorials, however, were presented to that body, strongly remonstrating against the proposed increase of duties. One was from the merchants and other inhabitants of Petersburg, Va.; one from a convention of delegates from the commercial and agricultural sections of the State of Maine; one from a convention of merchants and others interested in commerce, assembled at Philadelphia; one from the citizens of Charleston, S. C.; and several others: also one from the auctioneers of the city of New York, against duties on sales at auction.

The arguments of the memorialists are in their nature the same as those which have been already given from the speeches, reports, and memorials in this and preceding chapters; as, "forcing a people to manufacture what it is cheaper to buy abroad;" "importing less than we export is no evidence of prosperity; capital being only exchanged

for a more valuable consideration," and "importers and consumers both benefited by the importation ;" "duties oppressive to the poor and laboring classes ;" "embarrassing to commerce ;" "increased duties would diminish the revenue, and compel a resort to direct taxation ;" "national industry is invigorated by free trade, and depressed by every thing opposed to it ;" and a reference to British writers advising our Government not to imitate the restrictive policy of their own :—these constitute the burden of the memorials.

In 1822, the Committee of Ways and Means reported certain alterations of duties on imports and tunnage, with a view, chiefly, to an increase of the revenue ; but the bill was not passed. A general revision of the tariff was not attempted until the session of 1823–1824.

## CHAPTER VII.

**The condition of the country. Tariff bill reported by Mr. Tod. Debate on the bill. Votes on the passage of the bill.**

THE business of the country, which had been for years in a languishing condition, had reached a "crisis" before the meeting of Congress in December, 1823. The National Intelligencer, published at Washington, spoke of "the general pressure which has weighed with so heavy a hand on all classes of life, and all the pursuits of business throughout the country." A board of business men at Philadelphia alluded to the "mercantile embarrassments which have been so seriously felt by persons of all ranks in society, and the miseries of poverty which have invaded the fire-sides of so many respectable fellow-citizens."

In Niles' Register, the state of things is thus described "Agriculture is, in general, in a languid state, and, in many parts of the Union, suffers highly. Cotton-planting, for two years, has been at a low ebb. Farming, in consequence of the present temporary high price of wheat, is better than tobacco or cotton-planting, near the convenience of navigation; but in the Western States and in the interior of Pennsylvania, it is very much depressed. Manufactures, except cotton spinning and weaving, protected by duties, and except a few other branches, are greatly depressed. The woolen manufacture is greatly depressed throughout the Union and particularly in Pennsylvania. Several of the factories are closed, and all their hands discharged. Others are but partially employed. Commerce in general languishes. It is quite overdone. There is scarcely a quarter of the globe to which the productions of this country can be exported with a certainty, or even any great probability of advantage, or from which importation can be beneficially made. The importation of dry goods, once a source of great profit to a respectable class of citizens, has changed its character, and is, at least, as frequently a losing as a profitable concern; the markets being almost constantly glutted with dry goods, shipped on account of foreign merchants and manufacturers.

"Our wealthy citizens find it difficult to employ their capi-

tals advantageously. Parents in genteel life are extremely straitened to provide suitable occupations for their sons, so as to afford them a reasonable prospect of procuring a comfortable support in future life. Those in humble spheres find it nearly equally difficult to provide trades for their sons; as, from the general stagnation of business, tradesmen are unwilling to take apprentices. Numbers of the poorer classes in our cities, are wholly destitute of employment, though many of them are willing to work for half wages, or their victuals. The number of impoverished debtors, who take the benefit of the insolvent act, is lamentably increasing."

Congress met on the 1st day of December, 1823. President Monroe had, in his last annual message, called the attention of Congress to the subject of manufactures. He said: "On full consideration of the subject, in all its relations, I am persuaded, that a further augmentation may now be made of the duties on certain foreign articles in favor of our own, and without affecting, injuriously, any other interests." He says in the present message:

"Having communicated my views to Congress, at the commencement of the last session, respecting the encouragement which ought to be given to our manufactures, I have only to add, that those views remain unchanged, and that the present state of those countries with which we have the most immediate political relations, and greatest commercial intercourse, tends to confirm them. Under this impression, I recommend a review of the tariff for the purpose of affording such additional protection to those articles which we are prepared to manufacture, or which are more immediately connected with the defense and independence of the country."

Mr. Tod, of Pa., from the Committee on Manufactures, on the 9th of January, 1824, reported a tariff bill, which was, on the 10th of February, taken up in Committee of the Whole. On the 11th,

Mr. T. commenced the debate by a brief explanation of the bill, and by stating its details and objects, and some of the reasons in its favor. It proposed nothing new in principle, he said—nothing but to extend and equalize a system which experience had shown to be most beneficial, and to give to other departments of domestic industry, and other oppressed portions of the community, something of that protection which our laws had so liberally and wisely given to the cultivators of cotton, of sugar, and to all the interests of navigation.

One object of the bill, said Mr. T., is, that, as to some certain manufactured articles, the raw materials of which exist in abundance at home, we should, by legislative provision, give to our own workmen, not the exclusive supply and command of even our own market; but barely to give them a part of the business of furnishing our own people with the plain, rough necessaries of life. Another object of equal importance was, that, instead of continuing to support the agriculturists of Europe in almost every thing, we may be compelled, by using more home manufactured articles, to give to the farmers of our own country some market for their products. And another object, not inferior in magnitude to either of the former two, is to give to the country that strength and power which arises from possessing, within itself, the means of defense, and to rescue it from the danger and disgrace of habitual reliance upon foreign nations for the common daily necessaries of life.

It is known that almost every State in the Union is capable of producing iron sufficient for the supply of its own population, and many of them a great deal more; and that this can be effected without taking a single hand from any profitable employment, and without any stimulus except that of a market.

Mr. T. mentioned a numerous list of articles which our country was adapted to produce, and the manufacture of which had flourished to a considerable extent during the war. They also caused the country to flourish, by giving employment to the industrious, a market to the farmer, value to property, life to every sort of valuable business. Peace came, and, shortly after, came the new tariff, which, in the then present situation of the country, afforded inadequate encouragement to manufactures generally. He said, what in 1816 was called a moderate protecting duty, would scarcely have been adequate protection against a fair and liberal European competition, but was absolutely nothing against the little tricks of oppression by which wealthy foreign manufacturers can afford to throw away cargoes of their goods, at reduced prices, or at no prices, in order to break down a growing rival, and indemnify themselves by fleecing the whole country afterwards.

Mr. T. alluded to the arguments which had been urged in 1816 against protection to domestic industry. The question was said to be one merely between our own manufacturers on the one side, and all the remaining classes of our own

people on the other. Then there was the cry about taxing the many for the benefit of the few, and monopoly. But what had the chief effect in destroying our manufactures, and almost bringing us back into colonial bondage, was that theory of foreign speculative writers, called political economists. This doctrine teaches that all interference like the present, by legislation, has merely the effect to force capital from one employment to another. That this forcing can only be from an employment more productive into one less productive, to the certain injury to the community. The argument prevailed. We have seen its effects.

Under this tariff, said Mr. T., first went all the newly erected manufactories of earthen ware. They and their workmen are now no more talked of than if they never had existed. In the same way went most of our glass factories, our manufactures of white and red lead, our woolens, our hemp. Domestic iron has lingered a while longer, and still holds a feeble existence, dwindling every year, and gradually sinking under foreign importations. All the devastations and losses of the war were nothing compared with the devastations and losses of manufacturing capital under the tariff of 1816.

Thus, for these plain, common necessaries, which our own country is so competent to produce, lead, hemp, earthen wares, woolen goods, and unmanufactured iron, we go on paying a tribute to foreigners, of more than $13,000,000 a year; and from a visionary fear of forcing capital into an unproductive channel, by protecting domestic industry, we have ended by forcing our own manufacturing capital into non-existence, and our workmen into beggary. And who is benefited? Not the farmer. His share of the gains from the suppression of manufactures, is only to have the produce of his farm left perishing on his hands for want of a market. As little has the merchant gained, whose profits have been sinking with the decay of domestic industry. As little has the Government gained, which, twice, in time of peace, has been compelled to resort to loans to defray its yearly expenses.

High duties on the rival imports are not, as has been alleged, for the purpose of enabling the manufacturer to sell his wares high, and never can have that effect, but precisely the opposite effect. It is protection which enables him to sell them cheaply. The reason why, need not be accurately inquired into when we know the invariable fact. Perhaps it is that cheapness depends essentially upon the assurance of

a market; a steady demand. The great market, the home market, creates this demand. The profits of business, to be very small, must be very certain. No industry, no skill, no economy, can hold up new establishments if abandoned by their Government, and left to be undersold by foreign rivals who know that to stop them is to destroy them. So familiar is this to the two greatest manufacturing nations of the world, England and France, that, when they mean peculiarly to cherish any manufacture, they do not content themselves with a duty of 25 or 30 per cent. on the foreign rival commodity; but they impose a duty nearly equal to, and sometimes above, the value of the article, or they prohibit it altogether.

As to the details of the bill, Mr. T. observed, that, on cotton goods, the bill left the duties as it found them, with one exception. The minimum valuation of imported cloths is raised from 25 cents the square yard to 35 cents. The intent is to give protection to fabrics superior in fineness, by two or three grades, to those which are now protected.

Mr. McDuffie, of S. C., said: What is the question before us? It is not a question which is urged upon us on national grounds at all; but it is a question distinctly arraying against each other two different sections of the Confederacy. Adverting to the suggestion that the culture of cotton had been aided by protecting duties, he said it was to insult his understanding. Was cotton raised, in the beginning, for the use of our own manufactories, or for any purpose in which foreign cotton could come in competition with it in the United States? No. From the beginning it had been raised for exportation. The duty did not operate upon the culture of cotton.

Mr. McD. opposed the protection of cotton bagging.* The Speaker, [Mr. Clay,] had said, that, if this bill should pass, the Western country would in one year be able to furnish, if necessary, 20,000,000 yards of the article, as it required but simple and unexpensive machinery. What, said he, is the principle on which such duties have been heretofore advocated? It is that manufactures require large investments of capital, complicated machinery, and length of time to bring them to perfection, &c., which causes require protection to prevent the manufacture from being destroyed in infancy. In

* A cloth not made of cotton, but of hemp, and made into bags for packing cotton into bales.

the present case no such ground was taken. This manufacture, then, needed no protection. Mr. McD. examined the argument that the consumer and not the grower of the cotton, paid the duty on the bagging. If the bagging were to cost one hundred dollars for each bag, it would not raise the price of cotton abroad. The whole additional cost of the bagging would fall on those who make the cotton.

To the duties on several articles there was strong opposition. The duty proposed on bar iron and bolts not manufactured by rolling, was $1 12 per cent. Members representing the shipping interest opposed this item ; and

Mr. Fuller, of Mass., moved to strike it out of the bill, observing that iron was an article of far more general importance than cotton bagging, or wheat, which had occupied so much attention. To every farmer and mechanic, the increased duty would cause a corresponding increase of price for their implements of husbandry, and of their respective mechanic arts. But of all the classes of the community who must feel the pressure of this new burden, the ship-builder must suffer most. While the burden of this new duty was coextensive with the Union, the benefit intended would be confined to one or two, or at most to three of the States ; far the greater part to Pennsylvania alone. He thought most of the manufacturers of iron needed no protection.

Mr. Buchanan admitted that a few iron-masters who had acquired sufficient wealth to survive the general wreck in which a large proportion of that class of citizens had been involved, had been able to support themselves. This, however, was the case only with respect to those who resided at some distance from the seacoast, and in a neighborhood in which there was a demand for all they can manufacture. But what, Mr. Chairman, is the condition of those manufacturers residing in the interior, who have no market at home, but must depend upon that of the Atlantic cities? Being compelled to incur the expense of transporting their iron to a market where it comes in competition with that from Russia and Sweden, they must be ruined if they continue in the business. Most of them in this situation have been compelled to stop.

In the interior and mountainous districts of Pennsylvania, but a few years ago, there were a great number of furnaces and forges in operation. Their owners were prosperous, and spread prosperity around them. These manufactories presented the best and surest market to the neighboring coun-

try for the products of agriculture. Thus, they diffused wealth among the people ; money circulated freely ; and the manufacturer and the farmer were equally benefited. The present aspect of those districts presents a melancholy contrast to that which I have just described. Although that portion of Pennsylvania abounds with ore, with wood, and with water-power, yet its manufactories generally have sunk into ruin, and exist only as standing monuments of the false policy of the Government. The manufacturers and their laborers are both thrown out of employment, and the neighboring farmer is without a market.

The minimum cost of imported woolen cloths on which a duty of 30 per cent. was to be imposed, was 80 cents the square yard. This minimum it was proposed to alter to 40 cents.

Mr. Martindale, of N. Y., opposed the amendment. The duty proposed by the bill would not raise, but diminish the price, as a similar duty had operated on coarse cottons. This was a sort of fabric with which American manufacturers could easily fill the market.

Mr. Tod, who had himself moved the amendment, said he had no wish to see this clause stricken out ; but he had made the motion in consequence of an assurance that several leading members, now opposed to the bill, would support it if this feature were removed.

Mr. Tracy, of New York., said this amendment aimed a blow at the most important item in the whole bill. He believed the country was able to raise all the wool it needed.

Mr. Buchanan supported the amendment as proper in itself, and calculated to promote a spirit of conciliation. The present duty was 25 per cent. ad valorem ; the bill would raise it to 33⅓. The minimum proposed by the amendment was 40 cents per square yard. A yard of coarse baize costs 8 pence sterling ; the ad valorem duty as amended, was equal to 80 per cent. ; without the amendment, it would amount to 130 per cent. He thought we were not yet ready for a prohibitory duty on coarse woolens. If the raw material was abundant, he should oppose any reduction of the minimum.

Mr. Tod, to allow time for further consideration, withdrew the amendment ; and then moved to amend the bill, by reducing the proposed duty on coarse wool costing not over 10 cents per pound, to 15 per cent. ad valorem. It appeared that a coarser wool was wanted than any raised in this country, for a particular kind of coarse goods, (negro cloths,)

&c.; and that that kind of wool might be procured sometimes for 8, and sometimes even for 6 cents a pound, while the lowest priced American wool cost 25 cents.

Mr. Ingham, of Pa., advocated the amendment. He hoped this coarse wool would not be excluded from importation; it employed a large number of additional spindles, without in the least interfering with our native products. A million of pounds were imported last year, chiefly from South America, with which country it was our interest to cherish a commercial connection, as she furnishes a market for many of our manufactures.

Mr. Forward, of Pa., also supported the amendment. From the information received on the subject he had changed his mind. This coarse wool from Smyra and South America could not compete with our own. He was in favor of eventually excluding foreign wool; but it must be done by degrees. A large and sudden duty would break down the manufacturers.

Mr. Livermore, of N. H., spoke in behalf of the Eastern farmers, against the amendment. He had found in the bill only two items in favor of the farmer, the duty on wool and the duty on tallow. Exclude the coarse bad wool from abroad, and you will soon have a better article. If labor is to be protected, let it be protected. Don't give it a less market than it has already.

Mr. Martindale, of N. Y., could not agree with gentlemen who said that the coarse wool did not come in competition with our own. If it was now used where our own would be used if this were excluded, then, to its whole extent, it does come in competition with ours. The duty now proposed was not a prohibition. The article would still be imported, though in less quantity. It would operate moderately; and that was just what the agriculturist wanted. It was to him we ought to look; but we could only reach him through the manufacturer. Gentlemen have shown great anxiety lest the duty should injure the poor. Mr. M. said he also was a friend of the poor; but he would aid them in giving them employment. If the duty should for a time increase the price of coarse woolen goods, it would, in the same proportion, increase the employment of the poor who were to buy them. It is a principle of universal application, that *where the producing power exists, protecting duties will cause the article to be produced cheaper than before.*

Gentlemen who advocate the amendment, seem to forget

the policy of England, which is to break down our manufactures by every practicable means. Will she regard this small duty? No; she will pour in her manufactures upon us so long as she can sell them for any thing more than the duty. It is time to protect the farmers, that they may begin a system of home supply. It is at the beginning that this protection is needed. Gentlemen say we must not tax coarse wool, because we can not now supply the demand; but we are supplying that demand with a substitute; we mix cotton in the woolen fabrics, and this is a benefit to all our Southern country. Surely it is fair, that when the manufacturer asks the farmer to buy his cloth, the farmer should ask in return that the manufacturer will take his wool.

Mr. Ingham, of Pa., thought it the interest of the consumer that the duty should be reduced. The effect of a duty on coarse wool would be, to throw all who are now engaged in manufacturing the raw material into coarse goods, entirely out of employment; and there were not less than 10,000 spindles thus occupied. Were not the farmers interested in feeding this body of men? Where manufactures flourish, the farmers flourish.

Mr. Cambreleng, of N. Y., in reply said, if it is not wise to prohibit the importation of coarse wool because it is not raised in this country, why not apply the argument to hemp? The Navy Commissioners can not use the American hemp because it is bad; yet this is to be made subject to a prohibitory duty. The gentleman says, if a duty is laid on coarse wool, a different article must be substituted. Just so his bill will operate in the article of linens. It will lower the price of linens, but will supply their place by cottons.

Mr. Ingham, in reply, said that he had said nothing about the hemp duty. The honorable gentleman seems kindly to assume opinions for me.

Mr. McLane, of Del., believed the question was not understood. If the bill passes, the duty on the raw material will countervail the duty on foreign goods: the duty will come on the consumer. The duty on coarse wool only concerns the fabric of negro cloths. The cloth is now made out of wool that costs from 10 to 20 cents a pound. A high duty will oblige the American manufacturer to substitute a finer cloth for the coarse article; and then the foreigner comes in and supplants him. It is never politic to tax a raw material, unless to encourage its growth at home. But this kind of wool is not produced here; so that under pretense of encour-

aging manufactures, you deprive the manufacturer of the very material on which he is to work. The American farmer raises wool from a mixed breed of sheep; and the very coarsest of it costs 20 or 30 cents. But the foreign is raised by the wandering shepherds of Buenos Ayres and the boors of Sweden. There are other kinds of wool raised amongst us which ought to be protected. There is no wool raised here at less than 25, and most of it at 40 cents. Whence are you to get two million pounds of this coarse wool? It would require 600,000 sheep, and would take eight or nine years. What becomes of your manufacturers mean while? They are gone; and when the wool comes there is nobody who wants it.

Mr. Tod's amendment to reduce the duty on the coarse wool to 15 per cent. ad valorem, was carried.

Mr. Clay said: It is my intention, with the permission of the Committee, to avail myself of this opportunity to present to its consideration those general views, as they appear to me, of the true policy of this country, which imperiously demands the passage of this bill. I am deeply sensible, Mr. Chairman, of the high responsibility of my present situation. But that responsibility inspires me with no other apprehension than that I shall be unable to fulfill my duty; with no other solicitude than that I may, at least in some small degree, contribute to recall my country from the pursuit of a fatal policy, which appears to me inevitably to lead to its impoverishment and ruin.

Two classes of politicians divide the people of the United States. According to the system of one, the produce of foreign industry should be subjected to no other impost than such as may be necessary to produce a public revenue; and the produce of American industry should be left to sustain itself, if it can, with no other than that incidental protection in its competition, at home as well as abroad, with rival foreign articles. According to the system of the other class, whilst they agree that the imposts should be mainly, and may, under any modification, be safely relied on as a fit and convenient source of public revenue, they would so adjust and arrange the duties on foreign fabrics, as to afford a gradual but adequate protection to American industry, and lessen our dependence on foreign nations, by securing a certain, and ultimately a cheaper and better supply of our own wants from our own abundant resources. Both classes are equally sincere in their respective opinions, equally honest, equally

patriotic, and desirous of advancing the prosperity of the country. In the discussion of these opposite opinions for the purpose of ascertaining which has the support of truth and reason, we should exercise every indulgence, and the greatest spirit of mutual moderation and forbearance: and we should look fearlessly and truly at the actual condition of the country, retrace the causes which have brought us into it, and snatch, if possible, a view of the future. We should, above all, consult experience—the experience of other nations as well as our own, as our truest and most unerring guide.

The general distress, said Mr. C., was indicated by the diminished exports of native produce, by our reduced foreign navigation and diminished commerce; by the alarming diminution of the circulating medium; by the numerous bankruptcies among all classes of society; by a universal complaint of the want of employment, and a consequent reduction of the wages of labor; by the reluctant resort to the perilous use of paper money; and, above all, by the depressed value of all kinds of property, which had, on an average, sunk nearly fifty per cent. within a few years. The cause of our unhappy condition was found in the fact, that we had shaped our industry, our commerce, and our navigation, in reference to an extraordinary war in Europe, and to foreign markets which no longer existed. The revival of commerce and navigation, and the extension of agricultural and other branches of industry in that country, had destroyed the demand for our navigation, our commerce, and the produce of our industry. The altered state of Europe he regarded as the cause of existing evils. The greatest want of civilized society is a market for the surplus products of labor. Both a foreign and a home market were desirable; but the latter was most important. The object of the bill was to create the latter, and to lay the foundation of a genuine American policy. Foreign nations could not, if they would, take our surplus produce. Our population doubled in about twenty-five years; theirs in about one hundred years. If, therefore, as was presumed, the increase of production and consumption was in proportion to the increase of population, *our* power of production would increase in a ratio four times as great as *their* capacity for consumption.

But if they could, they would not receive our agricultural produce, so far as it comes into collision with their own. They reject all our great staples which consist of objects of human subsistence, and receive only those raw materials es-

sential to their manufactures, with the exception of tobacco and rice, which they can not produce. Both the inability and policy of foreign nations forbid our reliance upon the foreign market for the surplus produce of American labor. This was confirmed by experience. [Mr. Clay here presented a statement showing that, during certain periods, while the increase of population had been four per cent., our exports of domestic produce remained nearly stationary.] Nor was the foreign market likely to improve. Europe would not abandon her own agriculture to foster ours. To continue in the existing pursuits of agriculture without creating a new market, must augment the quantity of our produce, and lessen its value in the foreign market. Cotton, as well as other articles, would be thus affected. Our agricultural is our greatest interest; and to advance it, we should contemplate it in all its varieties of farming, planting and grazing. Exclusive dependence on the foreign market must lead to still severer distress. Still cherishing the foreign market, let us create a home market, to give further scope to the consumption of the products of American industry. Let us withdraw the support we give to foreign industry, and stimulate our own. It is a prominent object of wise legislators to multiply the vocations and to extend the business of society, by the protection of home interests against foreign legislation.

A home market, said Mr. C., is necessary to secure, not only a just reward for agricultural labor, but a supply of our wants. If we can not sell, we can not buy. That portion of our population—four-fifths, as we have seen—which produces comparatively nothing which foreigners will receive, have nothing wherewith to purchase from foreigners. Hence it is better to buy the domestic fabric at a higher nominal price, than to buy the foreign for which we have nothing to give in exchange. The superiority of the home market consists, first, in its greater steadiness and certainty; secondly, in the creation of reciprocal interest; thirdly, in the greater security; and fourthly, in an ultimate increase of consumption, and consequently of comfort, from increased quantity and reduced prices.

To illustrate the benefits of this domestic policy, suppose that 500,000 persons are now employed abroad in fabricating, for our consumption, those articles with which, by the operation of this bill, it is intended to supply ourselves. These persons are, in effect, subsisted by us; but the means of sub-

sistence are drawn from foreign agriculture. If they were transported to this country, the demand in the article of flour alone required for their subsistence, would be about 900,000 barrels, which exceeds the entire quantity exported the last year. But if we should thus employ this number of our own citizens instead of foreigners, the beneficial effects upon the farming interest would be nearly doubled. By directing so many hands to other pursuits, the productions of agricultural labor would be greatly diminished. This diminution of the quantity alone would increase their proportional value; but this value would be still further enhanced by the home market created

In political economy, the great object is, so to apply the aggregate industry of a nation as to produce the greatest amount of wealth. Labor is the source of wealth; but it is not natural labor only. The sparseness of our population had been urged as unfitting us for manufacturing. But such are the improvements in machinery, that little of the value is given to many fabrics by manual labor. Hence the price of wages is of less account than formerly. Asia, for example, had formerly, by the density of her population and the lowness of wages, laid Europe under tribute for many of her fabrics. Now, Europe, Great Britain in particular, reacts upon Asia, and throws back upon her countless millions of people the products of artificial labor infinitely cheaper than they can be manufactured by the natural exertions of that portion of the globe. It is to the immense power of her machinery that Britain is indebted for her wealth. Her machine labor is estimated to be equal to that of 200,000,000 able bodied laborers; which gives her a power to create wealth ten times greater than that of the United States. Her revenue in 1822 was nearly $245,000,000; eleven times that of the United States during the same year.

Her prosperous commerce also denotes her immense riches. The average of her exports for three years ending in 1789, was £13,000,000 sterling, and of her imports, £17,000,000. Her exports are now £40,000,000, and her imports £36,000,000; showing a balance of trade in her favor, of £4,000,000, or nearly $20,000,000; and her tunnage had largely increased during the intervening period.

Mr. C. alluded to the increased exports of her cotton manufactures, being, in 1822, nearly $96,000,000, while her imports of cotton wool were only £5,000,000 sterling, or upwards of $23,000,000. And such is the value given to the raw material

by her industry, that after supplying her own consumption, the amount of fabrics exported exceeded the cost of the cotton by about $74,000,000! The value of her exports of woolen manufactures in 1821 was upwards of $24,000,000. The gentleman from Virginia [P. P. Barbour] says, the wealth annually produced in Great Britain by agriculture is greater than that created by any other branch of her industry. But that flows mainly from a policy similar to that produced by this bill. One-third only of her population is engaged in agriculture; the other two-thirds furnishing a market for the produce of that third. Withdraw this market, and what becomes of her agriculture? Her protecting policy is adapted alike to a state of war and a state of peace. Possessing a home market carefully cherished and guarded, she is prepared for any emergency. Every year of peace brings with it an increase of her manufactures, of her commerce, and, consequently, of her navigation. Her prosperity, founded upon her own protecting policy, is unaffected by the vicissitudes and changes of other nations. But what is our condition? Depending upon the state of foreign powers—confiding in a foreign to the neglect of a domestic policy—our interests are affected by all their movements. Their wars, their misfortunes, are the source of our prosperity. Our system can succeed only in the rare occurrence of a general war in Europe. Mr. Clay proceeded to consider the remedy to the evils with which the country was afflicted. There is a remedy, he said, and that remedy consists in modifying our policy, and in adopting a genuine AMERICAN SYSTEM. We must *naturalize* the arts in our country; and we must do so by the only means which the wisdom of nations has yet discovered to be effectual—by adequate protection against the otherwise overwhelming influence of foreigners. This is to be accomplished only by the establishment of a tariff. And what is this tariff? It seems to have been regarded as a sort of monster—a wild beast, endowed with tremendous powers of destruction, about to be let loose among our people, if not to devour them, at least to consume their substance. But the sole object of this terrific being, the tariff, is to tax the produce of foreign industry, with the view of promoting American industry. Mr. C. replied to the numerous objections that had been urged against the bill.

1. The tariff has been treated as an imposition of burthens upon one part of the community for the benefit of another; as if money was in fact taken from the pockets of

some, and put into the pockets of others. No man pays the duty by compulsion, but voluntarily, and, if paid, it goes into the common exchequer, for the common benefit of all. He may abstain from the use of the foreign article, and thus avoid the tax; or he may use the rival American fabric; or he may engage in manufacturing; or he may supply himself from the household manufactures. But it is said, that the South, from the character of her population, cannot engage in manufactures. This may disqualify the South from engaging in certain branches of manufacture, but to some branches of it that part of our population is well adapted. But if they were not, what is to be done? Is it reasonable that we should abstain from adopting a policy called for by the interest of the greater and freer part of our population? That would be, in effect, to make us the slaves of slaves. Does not a perseverance in the foreign policy make all parts of the Union not planting tributary to the planting parts? But supposing the South to be actually incompetent or disinclined to embark in manufacturing, is not its interest, nevertheless, likely to be promoted by creating a new and an American source of supply for its consumption? If this bill should pass, an American competition with Great Britain, would be raised up, and the South would ultimately be supplied cheaper and better.

2. It is objected that the bill will diminish our exports. The argument is, that Europe will not buy of us, if we do not buy of her. It calls upon us to take care of European ability in our legislating for American interests. Now if, in legislating for their interests, they would consider and provide for our ability, the principle of reciprocity would enjoin us so to regulate our intercourse with them as to leave their ability unimpaired. But in the adoption of their own policy, their inquiry is limited to their own peculiar interests, without any regard to ours. The bill will operate only upon such articles of European industry as our supposed interest requires us to manufacture for ourselves. It may diminish the imports of *those* articles; but it leaves them free to supply us with any other produce of their industry. And since the circle of human comforts, refinements and luxuries is of great extent, Europe will still be able to purchase from us what she has hitherto done, and pay us in some of those objects.

If there be any diminution in our exports to Europe, it will probably be in the article of cotton to Great Britain. Of the cotton manufactures—amounting to upwards of £16,500,000

which Great Britain sells to foreign states, we take a little more than £1,500,000, or about $7,000,000. The market for the residue, being about £20,000,000, will continue open to her, as much after as before the passage of this bill; and she will require from us the raw material. The diminution in the export of cotton could at most be only in the proportion of about one and a half to twenty; and this loss of the market would be fully made up by the market of the article created at home. Lastly, I would observe, that the new application of our industry, producing new objects of exportation, and they possessing much greater value than in the raw state, we should be, in the end, amply indemnified by their exportation. Our cotton fabrics are already exported, in a large amount, to South America, where they maintain a successful competition with those of any other country.

3. The tariff, it is objected, will diminish our navigation. This great interest deserves encouragement; but it is in the order of nature, secondary to both agriculture and manufactures; therefore these branches of industry must not be molded or sacrificed to suit its purposes; but, on the contrary, navigation should accommodate itself to the state of agriculture and manufactures. But if, as is supposed, no sensible diminution of our exports will be produced by this measure, and if the new direction given to a portion of our industry shall produce other objects of exportation, the probability is, that our foreign tunnage will be even increased. But should it experience any reduction, the increase in our coasting tunnage, caused by the greater activity of domestic exchanges, will more than compensate the injury. Although our navigation partakes in the general distress, it is less depressed than any other of our great interests.

4. It is also contended that our foreign commerce will be diminished. Commerce is an exchange of commodities. Whatever tends to augment the wealth of a nation increases its capacity to make these exchanges. By new productions, or new values given to old objects of our industry, we shall give to commerce a fresh spring. The foreign commerce has probably been extended about as far as it can be; and I think the balance of trade is, and has, for some time past, been against us. I was surprised to hear the learned gentleman from Massachusetts, [Mr. Webster] rejecting as a detected and exploded fallacy, the idea of a balance of trade. I have not time nor inclination now to discuss that topic: but I will observe, that all nations act upon the supposition

of the reality of its existence, and seek to avoid a trade the balance of which is unfavorable, and to foster that which presents a favorable balance. Commerce, we are told, will regulate itself. But is it not the duty of wise governments to watch its course, and, beforehand, to provide against even distant evils; by prudent legislation stimulating the industry of their own people, and checking the policy of foreign powers as it operates on them? The supply, then, of the subjects of foreign commerce, no less than the supply of consumption at home, requires us to give a portion of our labor such a direction as will enable us to produce them.

5. Again, it is objected, that the tariff will diminish the revenue, disable us from paying the public debt, and compel a resort to excise and internal taxation. I have very little doubt, that the revenue, under the operation of this bill, will, for some years at least, be considerably increased. The diminution, if any, in the quantity imported, will be compensated by the augmentation of the duty. Some articles, notwithstanding the increase of duties, would continue to be introduced in as large quantities as ever. But if there should be a reduction of the revenue to the extent of the most extravagant calculation that has been made by the opponents of the tariff, say $5,000,000, we shall still have remaining a revenue of about $15,000,000, which is sufficient for the current expenses of the Government, and the payment of the interest on the public debt.

6. But, according to the opponents of the domestic policy, the proposed system will force capital and labor into new and reluctant employments; we are not prepared, in consequence of the high price of wages, for the successful establishment of manufactures. Existing occupations are overflowing with competitors, and the want of employment is severely felt. The bill proposes to open a new and extensive field for business, into which all who choose may enter. An option only is given to industry to continue in the present unprofitable pursuits, or to embark in a new and promising one. The high price of wages is not admitted. No class suffers more than the laboring class. This is the necessary effect of the depression of agriculture, the principal business of the community. The wages of able-bodied men varies from $5 to $8 per month; and there have been instances of men working merely for the means of present subsistence. I agree with the gentleman from Virginia, that high wages are a proof of national prosperity. But if the fact were true,

that the wages of labor are high, I deny the correctness of the argument founded upon it. It assumes that natural labor is the principal element in the business of manufacture. That was the ancient theory. But the valuable inventions and vast improvements in machinery have so increased the power of production, that the price of wages, is, of all the circumstances, perhaps the least important.

7. It is said that, when there is a concurrence of favorable circumstances, manufactures will arise of themselves, without protection. This proposition is refuted by all experience, ancient and modern. In consequence of superior natural advantages and a greater advance in civilization and the arts, some nations enjoy a state of higher prosperity than others; and each seeks to appropriate to itself all the advantages it can, without reference to the prosperity of others. If I am asked why unprotected industry should not succeed in a struggle with protected industry, I answer, the *fact* has ever been so, and that is sufficient: *uniform experience* evinces that it can not succeed in such an unequal contest, and that is sufficient. If I were to attempt to state the causes, I should say, First, that no nation, no individual, especially no agricultural people, will easily change an established course of business, even if it be unprofitable. Secondly, the uncertainty and unsteadiness of the home market when liable to an unrestricted influx of fabrics from all foreign nations. Thirdly, the superior advance of skill and amount of capital which foreign nations have obtained by the protection of their own industry. From the latter, or from other causes, the unprotected manufactures of a country are exposed to the danger of being crushed in their infancy, either by the design or from the necessities of foreign manufacturers. Their necessities may oblige them to throw into our markets the fabrics which may have accumulated on their hands in consequence of obstruction in the ordinary vents, or from over calculation; and the forced sales may prostrate our establishments.

8. But it is said, though the policy of protection be wise, the measure of protection is already sufficient. With few exceptions, the existing duties were laid for revenue, and without reference to the encouragement of domestic industry. Although it is admitted that the incidental effect of duties so laid is to promote our manufactures, yet if it falls short of competent protection, the duties might as well not have been imposed with reference to that purpose. A moderate addition may accomplish this desirable end.

9. The prohibitory policy, it is asserted, is condemned by the wisdom of Europe, and her most enlightened statesmen. In what instance has a nation that has enjoyed its benefits, surrendered it? The amount of what England has done is to modify the monopoly of the East India Company, in behalf of one and a small part of her subjects, to increase the commerce of another and the greater portion of them. The measure does not touch at all the interests of foreign powers. The toleration of our commerce with British India, is for the sake of the specie with which we mainly carry on that commerce, and which, having performed its circuit, returns to Great Britain in exchange for British manufactures. But suppose it were true that she had abolished all restrictions upon trade, would that prove it unwise for us to adopt the protective system? Her manufactures have become so firmly established, that she may safely challenge free competition in exchanges. It is upon this ground that her writers recommend the abandonment of the prohibitory system. It is to give greater scope to British industry and enterprise. But there is no proof that England is convinced of the impolicy of the prohibitory system, and is desirous to abandon it. Her practice is opposed to the theories of philosophical writers, which, wherever adopted, bring with them impoverishment and ruin.

10. The next objection which I shall notice is, that it is adverse to the genius of our government, in its tendency to the accumulation of large capitals in a few hands; in the corruption of the public morals; and in the consequent danger to public liberty. The first part of the objection would apply to every lucrative business: to commerce, to planting, and to the learned professions. Immense estates have also been made in the South. The dependents are, perhaps, not more numerous upon that wealth which is accumulated in manufactures, than they are upon that which is acquired by commerce and by agriculture. The absence of the English rule of primogeniture, [by which the eldest son takes the estate,] and the laws regulating the distribution of inheritances, will prevent the accumulation of large fortunes to any considerable extent. What has become of those fortunes which were held two or three generations back in Virginia? Many of the descendants of the ancient aristocracy, as they were called, of that State, are now in the most indigent condition. The greatest danger to public liberty is from idleness and vice. The best security against the demoralization of society

is the constant and profitable employment of its members. The extent and fertility of our lands constitute an adequate security against an excess in manufactures, and against oppression, by capitalists, of the laboring portions of the community.

11. The last objection which I shall notice is, that the Constitution does not authorize the passage of the bill. The gentleman from Virginia thinks the bill incompatible with the spirit of that instrument. If we attempt to provide for the internal improvement of the country, the Constitution, according to some gentlemen, stands in our way. If we attempt to protect American industry against foreign policy and the rivalry of foreign industry, the Constitution presents an insuperable obstacle. This Constitution must be a most singular instrument! It seems to have been made for any other people than our own. According to the gentleman, duties can be laid only for the purpose of revenue. No doubt revenue was a principal object with the framers of the Constitution in investing Congress with the power to lay duties. But in executing it, may not the duties and imposts be so laid as to secure domestic interests?

But the gentleman has entirely mistaken the clause on which we rely. It is that which gives to Congress the power to regulate commerce with foreign nations. The grant is without limitation. What is a regulation of commerce? It implies the admission or exclusion of the objects of it, and the terms. Under this power, laws of total non-intercourse with some nations, embargoes, producing a total cessation of foreign commerce, have been passed.

Mr. C. thus appealed to the South: You think the measure injurious to you; we believe our preservation depends upon its adoption. Our convictions, mutually honest, are equally strong. I invoke that saving spirit of mutual concession under which our blessed Constitution was formed. I appeal to the South—to the high-minded, generous, patriotic South—with which I have so often coöperated, in attempting to sustain the honor and vindicate the rights of our country. Should it not offer, upon the altar of the public good, some sacrifice of its peculiar opinions? Of what does it complain? A possible temporary enhancement in the objects of consumption. Of what do *we* complain? A total incapacity, produced by the foreign policy, to purchase, at any price, necessary foreign objects of consumption. In such an alternative, inconvenient to that section, ruinous to us, can we expect too

much from Southern magnanimity? The just and confident expectation of the passage of this bill, has flooded the country with recent importations of foreign fabrics. If it should not pass, they will complete the work of destruction of our domestic industry. If it should pass, they will prevent any considerable rise in the price of foreign commodities, until our own industry shall be able to supply competent substitutes.

We have had great difficulties to encounter. 1. The splendid talents which are arrayed in this House against us. 2. We are opposed by the rich and powerful in the land. 3. The executive Government affords us, if any, but a cold and equivocal support. 4. The importing and navigating interests, I verily believe from misconception, are adverse to us. 5. The British factors, and the British influence are inimical to our success. 6. Long established habits and prejudices oppose us. 7. The reviewers and literary speculators, foreign and domestic. And, lastly, the leading presses of the country, including the influence of that which is established in this city, and sustained by the public purse.* From some of these or other causes, the bill may be postponed, thwarted, defeated. But the cause is the cause of the country, and it must and will prevail.

Mr. Webster, who replied to Mr. Clay, regretted that he [Mr. C.] had designated the advocates of the bill as the friends of an "American policy," and its opponents as the friends of a "foreign policy." As we were invited to depart from our accustomed course, and to adopt the policy of the most distinguished *foreign states*, he [Mr. W.] was a little curious to know with what propriety of speech the imitation of other nations was denominated an "American policy," while our own established system was called a "foreign policy."

Mr. W. dissented from the justice of the picture of distress which had been drawn. Profits, indeed, were low; in some pursuits of life, which it was not proposed to benefit, but to *burden* by this bill, very low. But still, he was unacquainted with any proofs of extraordinary distress. Judging this question by our exports, we should come to a conclusion somewhat different from that which had been drawn. Mr.

* The National Intelligencer, by Messrs. Gales and Seaton. This paper subsequently became a decided and efficient advocate of the protective system.

Speaker had taken the exports of the year, 1803, and from them had calculated what ought to have been a just increase of our exports in proportion to the increase of our population. He had selected a year of extraordinary exportation, which was not just. Besides, there never was any reason to expect that the increase of exports of agricultural products would keep pace with the increase of our population. The quantity of the means of subsistence consumed, and of the comforts of life enjoyed; the investment of capital in various improvements; the money expended in education, were referred to by Mr. W. as evidence that there was no such extraordinary distress as had been described.

In inquiring for a remedy for existing evils, it would be unwise to adopt any system that might be offered; it was our duty to look carefully to each leading interest of the community, and see how it might be affected by our proposed legislation.

And first, our commerce. It had, since the European wars, been greatly depressed, and limited to small profits. Still it was active, and seemed capable of recovering itself in a measure from its depression. The shipping interest had probably suffered more severely than our commerce. If anything should strike us with astonishment, it was, that our navigation, without any protection from the Government, should be able to sustain itself. The navigation of the country, he said, was essential to its honor and its defense. Yet it was proposed, by this measure, to lay upon it new and heavy burthens. In the discussion, the other day, of that provision of the bill which proposes to tax tallow for the benefit of the oil merchants and whalemen, we had the pleasure of hearing eloquent eulogiums upon that portion of our shipping employed in the whale fishery, and strong statements of its importance to the public interest. But the same bill proposes a severe tax upon that interest for the benefit of the iron manufacturer and the hemp grower. So that the tallow chandlers and soap boilers are sacrificed to the oil merchants, in order that these again may contribute to the manufacturers of iron and the growers of hemp.

What is the condition of our home manufactures? How are they amidst the general depression? Do they need further protection? and if any, how much? On all these points, we have had much general statement, but little precise information. When the question is whether new duties shall be laid for the purpose of giving further aid to particu-

lar manufactures, every reasonable man must ask himself, both, whether the proposed new encouragement be necessary, and whether it can be given without injustice to other branches of industry.

It is desirable to know, also, somewhat more distinctly, how the proposed means will produce the intended effect. It is proposed to increase the home market for the consumption of agricultural products; but what provisions of the bill are expected to produce this, is not stated. Some increase of the home market may follow; but *all* its provisions have not an equal tendency to produce this effect. Those manufactures which employ most labor, create, of course, most demand for articles of consumption; and those create least, in the production of which capital and skill enter as the chief ingredients of cost. I cannot, said Mr. W., take this bill, merely because a committee has recommended it. I wholly repel the idea that we must take this law, or pass no law on the subject. What should hinder us from exercising our own judgment upon these provisions, singly and severally? There are many things in this bill acceptable, probably, to the general sense of the House. Why should not these be passed into a law, and others left to be decided upon their own merits, as a majority shall see fit? To some of these provisions I am, myself, quite favorable; to others I have great objections.

We have heard much of the policy of England as proving the expediency of protection. More liberal notions are growing prevalent. The policy of restraints and prohibitions is getting out of repute as the true nature of commerce becomes better understood. But it has been hinted that the promulgation of liberal opinions on these subjects is intended only for a delusion upon other nations to cajole them into the folly of liberal ideas, while England retains to herself all the benefits of the admirable old system of prohibition. I have never said that prohibitory laws did not exist in England. The question is, does she owe her greatness and prosperity to these laws? I venture to say, that such is not the opinion of public men now in England, notwithstanding the continuance of these laws. The laws having existed long, and great interests having been built up on the faith of them, they cannot now be repealed without great inconvenience.

It will be wise in us to take our measures on subjects of this kind with great caution. It is one thing, by duties or taxes on foreign articles, to awaken a home competition in

the production of the same articles; it is another thing to remove all competition by a total exclusion of foreign articles. Mr. Webster read copious extracts from speeches in the British Parliament against the restrictive policy, and in opposition to the theory that manufactures can not flourish without restrictions on trade.

Great Britain has relaxed her colonial system; she has opened the ports of her islands, and done away the restriction which limited the trade of the colony to the mother country. Colonial productions may now be carried directly from the islands to any part of Europe. It may be added that Mr. Lowe, whom the gentleman has cited, says, that nobody supposes that the three great staples of English manufactures, cotton, woolen, and hardware, are benefited by any existing protecting duties; and that one object of these protecting laws is, that they have been intended to reconcile the various interests to taxation; the corn law, for example, being designed as some equivalent to the agricultural interest for the burden of tithes and of poor rates. I think it is clear that if we now embrace the system of prohibitions and restrictions, we shall show an affection for what others have discarded, and be attempting to ornament ourselves with cast off apparel.

I would take notice also of the recent proposition in Parliament to abolish the tax on imported wool, and for the same reasons as have been offered here against the duty which we propose on the same article. They say their manufactures require a cheap and coarse wool for the supply of the Mediterranean and Levant trade, and without a more free admission of the wool of the continent, that trade will all fall into the hands of the Germans and Italians who will carry it on through Leghorn and Trieste. While there is this duty on foreign wool to protect the wool-growers of England, there is, on the other hand, a prohibition on the exportation of the native article in aid of the manufacturers. The opinion seems to be gaining strength, that the true policy is to abolish both.

Mr. W. at considerable length opposed the popular idea respecting the "balance of trade;" that if the value of goods imported, exceed the value of those exported, the balance of trade is against us. The excess of imports over exports, he said, usually showed the gains, not the losses of trade; or, in a country that not only buys and sells goods, but employs ships in carrying goods also, it shows the profits of com-

merce and the earnings of navigation. If the value of commodities imported, in a given case, did not exceed the value of the outward cargo with which they were purchased, then the voyage would not have been profitable. He quoted from a British statesman, that "it is not in the nature of commerce to enrich one party at the expense of the other."

Intimately connected with this topic, said Mr. W., is another, the exportation of specie, so much complained of. Gentlemen imputed the loss of market at home to a want of money, and this want of money to the exportation of the precious metals. We hear the India and China trade denounced as a commerce conducted, on our side, in a great measure, with gold and silver. There are no shallower reasoners than those political and commercial writers, who would represent it to be the only true and gainful end of commerce to accumulate the precious metals. When the market is overstocked with them, as it often is, their exportation becomes as proper and as useful as that of other commodities under similar circumstances. The honorable member from Pennsylvania has represented the country as full of everything but money. This I take to be a mistake. The agricultural products so abundant in Pennsylvania, will not, he says, sell for money; but they will sell for money as quick as for any other article which happens to be in demand. They will sell for money, for example, as easily as for coffee or for tea, at the prices which properly belong to those articles. The mistake lies in imputing that to the want of money, which arises from want of demand. Men do not buy wheat because they have money, but because they want wheat.

Some gentlemen have spoken of the price paid for every foreign manufactured article as so much given for the encouragement of foreign labor, to the prejudice of our own. But is not every such article the product of our own labor as truly as if we had actually manufactured it ourselves? Our labor has earned it and paid the price for it. It is so much added to the stock of national wealth. If the commodity were dollars, nobody would doubt the truth of this remark; and it is precisely as correct in its application to any other commodity as to silver. One man makes a yard of cloth at home; another raises agricultural products, and buys a yard of imported cloth. Both are equally the earnings of domestic industry.

We are asked if we will give our manufactures no protection. Let us not suppose that we are beginning the protec-

tion of manufactures by duties on imports. The Government has already done much for their protection ; and it ought to be presumed to have done enough, unless it be shown, by the facts and considerations applicable to each, that there is a necessity for doing more.

Mr. W. examined the provisions of the bill relating to particular articles, as the woolen and cotton manufactures ; and especially iron and hemp, the proposed increase of duties on which would seriously affect the navigating interest by increasing the cost of vessels.

This speech of Mr. Webster was regarded as the ablest which was made against the bill. Yet it is worthy of remark, that some of the opinions he so ably maintained, he seems, but a few years afterwards, to have greatly modified, if not entirely abandoned. Arguments which he used with so much force in this debate, he opposed in subsequent debates on the same subject, with his accustomed ability. And in 1833, as the reader will hereafter see, he was foremost in opposition to Mr. Clay's compromise bill, for the alleged reason that it abandoned the protective policy. A review of some of the positions taken by him in the foregoing extracts from his speech in 1824, will be found in the latter part of this volume.

Mr. Tod replied at length to Mr. Webster. The latter had said that the Speaker [Mr. Clay] had selected the years of former prosperity most favorable to his argument, in his statements of exportation. Take, then, said Mr. T., a different set of years. The yearly average quantity of grain and flour exported for the five years, 1790, '91, '92, '93, and '94, was 1,421,335 barrels. The commercial statements of that day do not give the value ; but Mr. Pitkin has calculated the value for 1792 at $7,649,887. Our population, in 1790, was about 4,000,000. For the last three years, the yearly average of our exportation has been 1,177,949 barrels, at an average value of $5,925,249. Our population is now 10,000,000 ; and let it not be forgotten, that, at the former period our whole agricultural grain-exporting population did not, probably, equal the present population of one single State. By far the greatest proportion of our increase of numbers, since 1790, has been to the grain-raising population. . . . Thus, with all this increase of numbers and capacity, our exports of grain are reduced, while the importation of foreign manufactures has been increasing with the decrease of the facilities of payment.

The gentleman from Massachusetts has seemed to question whether this diminution of exports shows any diminution of

prosperity. Yet the most vehement opposers of this bill oppose it because they apprehend that its effects may be to prevent the exportation of some part of their staple, cotton! Thus they show that, as to cotton, at least, "agriculture without a market" may be an inconvenience. We believe their fears are groundless in supposing that domestic manufactures are to lessen the demand for cotton; but they are right in insisting that a defect of market must be certainly hurtful.

In reply to the objection that the bill would injure commerce and the navy, Mr. T. spoke at considerable length. He said: The late war was a war for commerce only. . . Does any one imagine that our people who sustained that commercial war with such steadiness and spirit, did so in pursuance of doctrines such as we have here now? or dreaming that, in case of success, they themselves were to be excluded from every possible benefit of it? or after exerting themselves to the utmost, and risking every thing, they should come to the merchant, reinstated in his rights by their aid and their fidelity, with their hemp, their iron, and their lead, and say to him: "We have no customers but you. If we raise grain, we have no market for it. There is nothing we have to sell but the things we have here;" and be told by the merchant, "True; your hemp is water-rotted and strong; your iron is tough, and good for cannon, and anchors, and shipbolts; but it is all country make. And, friends, you don't understand the new light of political economy: it is only when you come in the capacity of purchasers that we can deal with you. We employ the workmen and farmers of England, Wales, and Russia, and we think, in the long run, we can save something to ourselves by it. You have never read Adam Smith. Every man for himself is the only thing for the country. Here it is in the book. In this way we enrich ourselves, as we know; and we make the nation rich, as the book shows. No monopoly, no restriction, except in our favor. Let us alone until another war. When the doctrine of Algiers comes next into fashion, with the naval Powers of Europe, or any one of them, you may then have just so much interest in navigation as to pay taxes and do the fighting for it."

Surely no manufacturing or agricultural man, in that war for commerce, could have been slave and fool enough to contend in the cause, had he imagined that there was no community of interests in this nation; no advantage by com-

merce but to the merchant; no helping of each other; or, if he had foreseen what has since actually happened, that the very peace and commerce contended for with such profusion of money and of blood, should, with the exception of a trifle of profit to a handful of merchants, produce, after all, nothing but prosperity to foreign nations, and chiefly to Great Britain, with whom we contended, and nothing but destruction and death to three-fourths of the agricultural, grain-raising, and manufacturing interests of our own country.

Mr. Buchanan replied at great length to Mr. Webster's remarks relating to hemp and iron, he having alleged that our navigation had been left dependent on its own resources, without any protection from the Government; and that it was unable to bear the additional duties on hemp and iron. No branches of domestic industry, said Mr. B., have ever been cherished with so much care as those of ship-building and navigation. Although both have suffered in the general depression of the country, they are now in a more prosperous condition than any other portion of domestic industry; and they are perfectly able and ought to be willing, to bear the additional duty upon hemp and iron proposed by this bill, even if it should amount to what the gentleman supposes.

It is fortunate, said Mr. B., that the first Congress did not belong to the politicians whose principal dogmas are: "Let trade regulate itself." "Let not legislation attempt to divert industry or capital from the channels in which they are flowing, into other branches." On the contrary, they believed that the manufacture of ships, and their navigation, were interests, which required legislative protection, and they afforded it in the most effectual manner. The third act ever passed by Congress, was that imposing duties on tunnage. By the acts of 1789 and 1790, vessels of the United States were to pay a duty of only 6 cents per tun upon each entry, and all other vessels 50 cents a tun, except those built within the United States and owned by foreigners, which were subject to a duty of 30 cents a tun. Besides this, 10 per cent. was added to the rates of duties imposed on goods imported in ships and vessels not of the United States.

I freely acknowledge that the wars in Europe and our neutral condition, by placing within our reach a large portion of the carrying trade of other nations, assisted these discriminating duties in producing their effect upon our navigation with such astonishing rapidity. Dr. Seybert states, that "in 1789, our shipping was not sufficient for the trans-

portation of the domestic produce of the States; one-third of that which was then employed for that purpose belonged to foreigners;" and that, "in 1793, our tunnage exceeded that of every other nation except Great Britain." The British Government became alarmed at the rapid progress of our navigation; and to check its augmentation, they proposed, in 1791, "that British ships trading to the ports of the United States, should be there treated, with respect to the duties of tunnage and impost, in like manner as ships of the United States should be treated in Great Britain." By this means, they expected to crush our navigation in its infancy, and obtain a monopoly of our trade. They were convinced that our navigation could not then endure a competition with the long established navigation of Great Britain.

But the statesmen of that day did not adopt the principle that trade should regulate itself. No; they cherished and nourished our navigation in its infancy by protecting duties; and thus infused into it such energy and vigor, that it can now, upon equal terms, challenge competition with the world. The same kind of protection will produce the same effect upon the manufactories which this bill proposes to encourage.

Mr. B. gave a history of our arrangements with Great Britain, and the increase of our tunnage, during the contest respecting navigation; and then proceeded:

Our bold policy finally triumphed, and, on the 24th of June, 1822, an act of the British Parliament repealed their colonial system in favor of the United States, and opened their ports in the West Indies and North America to our vessels. Yet the navigating interest complains that they have been left unprotected by the Government to struggle against the world. I was astonished to hear the gentleman from Massachusetts say, that this concession, made by the British Government in favor of our navigation, was an evidence that they were departing from their restrictive system. No, sir; if it proves any thing, it proves the efficiency of this system. This concession was extorted from them by our countervailing restrictions, and shows the power of that policy, when properly exercised, to obtain justice from foreign nations.

I will mention another example of the care of the Government for its navigation. France, after she had extricated herself from her long wars, to obtain the exclusive privilege of carrying those of our productions which she used in her manufactures, imposed discriminating duties in favor of cotton, tobacco, and potashes, imported in her own vessels,

which are equivalent to a tunnage duty of from $18 to $21 per tun. Our navigating interest took the alarm, and memorialized Congress. Congress, on the 15th of May, 1820, passed an act imposing a countervailing duty of $18 a tun upon all French vessels entering the ports of the United States. The consequence of this measure was the suspension, in a great degree, of the direct trade between us and France. That profitable branch of our commerce was sacrificed to promote the interests of our navigation. Our countervailing duties, however, produced the desired effect. On the 24th of June, 1822—the very day on which the British Parliament opened their colonial ports to our vessels, the convention with France was concluded, which placed our carrying trade with that country upon a fair and reciprocal basis.

Mr. B., in reply to Mr. Webster's objection, that the duties on the hemp and iron would increase the cost of ship-building, said: The navigation is able to bear the additional duty, and considering what was done for it, ought to bear it for the common good; though I do not admit that it will continue to be an additional burden upon that interest. The domestic competition will, in a few years, reduce the price of both hemp and iron.

These additional duties cannot injure the tunnage of the coasting trade, which is nearly equal to the foreign trade, and which must increase rapidly. It enjoys a monopoly. It will therefore sustain no loss, because, as you enhance the price of the vessel, you will increase the freight. The case might be different, if foreign competition were not altogether excluded.

The Mercantile Society of New York stated to the Committee on Manufactures, that "foreign vessels would not have a preference, in our ports, over American vessels, unless at a reduction in freight of 25 per cent., or an advantage equivalent, at the port of destination." How, then, can the additional duty upon the hemp and iron—increasing the cost of a ship of 300 tuns burden only $290—seriously injure our navigation?

The gentleman has urged, that if the demand is supplied by the domestic article, the navigating interest would lose their freight from Russia and Sweden. Shall we be compelled to purchase articles abroad to increase the employment of navigation? Are all the other interests to be sacrificed, that the welfare of this one may be promoted? It appears to me that the bare statement of this argument is its best refutation.

We can not extend our abstract of the debate to the duties on other articles. The opposition to the general system was strongly marked, on the part of many members, and even vehement, on the part of some of them, as will appear from expressions like the following, which we give, that the reader may see how far they have been verified or disproved by the results of the protective policy. "Your agriculture and commerce must become tributary to manufactures." "This is the new, the grand system of policy which you propose to force upon the good people of the United States. You will soon find your impotence and weakness in the attempt." "Before you can effect this, you must make the people slaves." "You may, by your restrictions, fetter their enterprise for a short period; you may legislate them into adversity, but you can not legislate them into prosperity." "Every attempt of Government to regulate the employment of capital or enterprise is mischievous." While we are destroying our commerce in the wretched attempt to foster our manufactures by law, Europe will monopolize the whole trade with the South American States; and we shall find, to our cost, that there is no foreign market for our manufactures which have been nursed with so much care in this hot-bed system; but we must be compelled to use our own manufactures, and agriculture must pay the increased price. Will this furnish a market for your surplus produce? Will this encourage domestic industry?"

On the 14th of April, 1824, the bill was ordered to a third reading, by a vote of 105 to 102; as follows:

*Maine:* Yea, 1; nays, 6. *New Hampshire:* Yea, 1; nays, 5. *Massachusetts:* Yea, 1; nays, 11. *Rhode Island:* Yeas, 2. *Connecticut:* Yeas, 5; nay, 1. *Vermont:* Yeas, 5. *New York:* Yeas, 26; nays, 8. *New Jersey:* Yeas, 6. *Pennsylvania:* Yeas, 24; nay, 1. *Delaware:* Yea, 1. *Maryland:* Yeas, 3; nays, 6. *Virginia:* Yea, 1; nays, 21. *North Carolina:* Nays, 13. *South Carolina:* Nays, 9. *Georgia:* Nays, 7. *Kentucky:* Yeas, 11. *Tennessee:* Yeas, 2; nays, 7. *Ohio:* Yeas, 14. *Indiana:* Yeas, 2. *Illinois:* Yea, 1. *Louisiana:* Nays, 3. *Mississippi:* Nay, 1. *Alabama:* Nays, 3. *Missouri:* Yea, 1.

Had all the members been present, and had the Speaker voted, there would have been 110 yeas, and 102 nays. On the final passage of the bill, the vote was the same, except that two of the friends of the bill who were absent on the former vote, were present, and voted for it, making the number of yeas, 107—a majority of 5.

It is seen from the foregoing record of votes, that Maine, New Hampshire, and Massachusetts, which were navigating

and fishing States, were almost unanimous against the tariff. Rhode Island, and Connecticut, manufacturing States, were in favor of it, with a single exception from the latter. Also the grain producing States, Vermont, New York, New Jersey, Pennsylvania, Delaware, Kentucky, Ohio, Indiana, Illinois, and Missouri, were nearly three to one in favor of protection, from its supposed benefit to agriculture. The planting States generally, then, as since, having an unfailing market abroad for their great staples, were united with the navigating and fishing States against the tariff. By this act Eastern capital was directed more to manufactures; and since that time, the Eastern and Southern States have taken opposite sides on the tariff question.

In the Senate, sundry amendments were made to the bill, to some of which the House disagreed; and entire concurrence was not effected until after a Committee of Conference had been appointed.

The bill passed the Senate as amended, and before it was sent to the House for concurrence in the amendments, by a vote of 25 to 21, as follows:

*Maine:* Yeas, 2. *New Hampshire:* Yea, 1; nay, 1. *Massachusetts:* Nays, 2. *Rhode Island:* Yeas, 2. *Connecticut:* Yeas, 2. *Vermont:* Yeas, 2. *New York:* Yea, 1; nay, 1. *New Jersey:* Yeas, 2. *Pennsylvania:* Yeas, 2. *Delaware:* Nays, 2. *Maryland:* Nay, 1. *Virginia:* Nays, 2. *North Carolina:* Nays, 2. *South Carolina:* Nays, 2. *Georgia:* Nays, 2. *Kentucky:* Yeas, 2. *Tennessee:* Yeas, 2. *Ohio:* Yeas, 2. *Indiana:* Yeas, 2. *Illinois:* Yea, 1. *Louisiana:* Nays, 2. *Mississippi:* Nays, 2. *Alabama:* Nays, 2. *Missouri:* Yeas, 2.

[For the rates of duties imposed by this act, see Comparative Statement of the several tariff laws, near the end of this volume.]

## CHAPTER VIII.

The "Woolens Bill" of 1827 introduced by Mr. Mallary. Debate on the Bill. Bill passed by the House. Defeated in the Senate by being laid on the table.

In January, 1827, a bill was introduced in the House of Representatives, proposing additional protection to wool and woolen manufactures; not by a direct increase of duties, but in a manner which will soon be made to appear.

Immediately after the passage of the Tariff act of 1824, the English manufacturers prosecuted their business with unusual activity, and flooded our country with their fabrics, which were sold for a time at great profit. Many of our own citizens, anticipating adequate protection from that act, and encouraged by the success of the British manufacturers, made large investments in manufactories. The quantity of British goods imported having vastly exceeded the demand, they were disposed of at forced sales in this country, at a great sacrifice to the foreign manufacturer, and to the serious embarrassment of the domestic manufacturer. Against such a state of things, the latter had no protection; and memorials on the subject, and petitions for relief, were addressed to Congress.

The duties on woolens were not considered insufficient in amount; their inadequacy consisted in their nature, and the manner in which they were determined. Being *ad valorem* duties, or duties according to the value of the article, the English manufacturer was enabled to evade, in part, the duties to which they were fairly subject, by false invoices, or bills, in which they were entered at prices below their real value in England. By this means our revenue was defrauded, and protection to our manufacturers was defeated; the foreign manufacturer being enabled to undersell them in the American market, in consequence of the saving to himself of a part of the duty. It was the policy of the British manufacturers, after they had supplied other markets, to throw their remaining surplus into our market, to be sold at such prices as could be obtained. Although these prices were sometimes below cost, the loss was more than compensated by the depression of American manufactures, which was to the English manufacturer an important object.

By the tariff act of 1824, the duty on imported woolen goods had been raised 8 per cent., and on wool, 15 per cent. No wool was exported from this country to Europe; but more than one-third of the quantity manufactured here, was imported from European countries, subject to a duty of 30 per cent., while our manufacturers enjoyed a mere nominal protection of 33⅓ per cent. *ad valorem*. We say *nominal*, because, as the goods were invoiced below their value at the pleasure of the British manufacturer, the duty was virtually determined by the party paying it, and afforded little or no protection. It was not to be expected that, in a large manufacturing country like England, the products of labor would be measured by the exact extent of the demand. The surplus was sent to the United States. By the removal of this surplus from the home market, the English manufacturers had been enabled to maintain high prices on the residue, while the value of all similar goods had been reduced here to the injury of the domestic manufacturer.

The manufacturers, however, did not ask either for an increase or a reduction of the duty on wool. Nor did they ask for an increase of the *ad valorem* duty on woolen goods, if regulations existed which should effectually prevent the evasion of the laws. This could be effected only by changing the mode of determining the *ad valorem* duty, or by adopting a *minimum* duty, which it was impossible to evade. In some large establishments in New England, half the machinery was said to be idle; and some of that which had been completed was not to be put into operation, until it could be done under more favorable auspices.

On the 27th of January, 1827, Mr. Mallary, of Vermont, Chairman of the Committee on Manufactures, reported a bill "for the alteration of the acts imposing duties on imports," familiarly called, "the woolens bill." This bill proposed no change in the nominal rate of duty, which was 33⅓ per cent.; but it provided for estimating the duties on the *minimum* principle; which is done by requiring all goods not exceeding in value a certain price, to be taken to have cost such price, and the duty to be charged accordingly. [See definition of *minimum*, p. 69, note.]

The minimum prices fixed by the bill were 40 cents; $2 50, and $4. That is, all goods manufactured in whole or in part of wool, and not exceeding in value 40 cents at the place whence imported, must be deemed and taken to have cost 40 cents the square yard, and charged with the present

rate of duty, 33⅓ per cent. If the value exceeded 40 cents, and did not exceed $2 50, the goods must be deemed to have cost $2 50; and if the value exceeded $2 50, they must be deemed to have cost $4; and the duties charged accordingly.

Unmanufactured wool, then subject to a duty of 30 per cent., was to be charged, after June, 1828, 35 per cent., and after June 1829, 40 per cent. All wool exceeding in value 10 cents, and not exceeding 40 cents a pound, was to be deemed to have cost 40 cents, and charged with these rates of duty. Wool less than 10 cents, was, by the act of 1824, 15 per cent., on which no alteration was proposed.

The bill was taken up on the 17th of January.

Mr. Mallary explained and advocated the bill in a speech of considerable length, and containing much valuable information. He said the subject had been pressed upon the consideration of Congress by memorials from different parts of the United States. The memorialists were from both the agricultural and manufacturing classes of the people.

From the information given to the Committee, he estimated the capital invested in the woolen manufacture at about $40-000,000, and the number of persons employed in the business, at 60,000. This was the manufacturing interest.

He next presented the agricultural interest. The number of sheep in the United States was about 16,000,000. He considered that 10,000,000 of these had been added from the demands of the woolen manufactories of the country. He estimated the 10,000,000 at $2 each, which was a low estimate if any encouragement existed for the raw material. This would make the value of the flocks dependent upon the manufacturer, $20,000,000. The establishments consumed annually at least 30,000,000 pounds of wool, which, at 35 cents a pound, would be above $10,000,000. Allowing four sheep to the acre, they would require 2,500,000 acres, which, at $8 per acre, would make $20,000,000. The result was that the agricultural interest had at least $40,000,000, and the manufacturers as much more, making, together, $80,000,000 capital, involved in the question of protecting the domestic manufacture.

An advantage of wool-growing was, that it gave a value to hills and mountains, and sections remote from navigable rivers and good roads. No other produce would so well pay transportation to market, as no other article was so valuable in proportion to its weight. Nor did it interfere with other employments. Our markets were filled to overflowing with agricultural products. So much capital as has been stated,

has been added to the landed interest. So much for that great interest immediately dependent for its principal value on manufactures.

He next showed how much other branches of agriculture were interested. The farmers of the House, and especially gentlemen from the Middle and Southern States, were requested to notice his statements. In one manufactory employing 260 persons, 300 barrels of flour were consumed in the year 1826. This was obtained from New York, and Petersburg, Virginia, and intermediate ports. There were imported into Boston, in 1826, 281,000 barrels; of which, 72,777 were exported, leaving nearly 209,000 for consumption. The quantity imported into other New England States, was about twice as much as was imported into Boston, making 629,000 barrels for that section of the Union. The value, at $5 50 per barrel, amounts to $3,480,000. He produced a statement showing that 119,202 barrels were received from Baltimore, and 91,000 from Virginia. This he asked gentlemen to notice. The remainder was from New York, Philadelphia, and the rest of the coast. Upwards of 200,000 barrels of Virginia flour were consumed annually in New England. These facts were worthy of consideration by the farmers of Virginia. How was this produce obtained? How was payment made? Let every gentleman answer for himself. There were imported into Boston, in December last, from the Southern and Middle States, 80,000 bushels of corn. In proportion to the estimate on flour, the quantity taken in all New England would almost exceed belief.

Now, said Mr. M., examine the exports of flour to Europe. In 1825, they did not exceed 56,675 barrels. New England, as we have seen, consumes 629,000. We exported, in 1825, to all parts of the world, 813,000, and in 1826, 853,000 barrels. In 1825, we exported to the British West Indies, 114,000 barrels; to Cuba, 109,000; and to Brazil, 134,000. We send now and then a cargo of flour to Valparaiso and Lima. The arrival—the price, high or low—is reported through the nation, as if its fate was involved. But the steady, silent, valuable market of New England, attracts little attention. Annihilate this great market, and the effects which would follow would convince the farmers of Maryland and Virginia, that the New England market was of immense advantage. Destroy the manufacturing interest, and the means of the North to purchase would at once cease.

Mr. M. said he would now call attention to the cotton

manufacture. Mr. Gallatin, in 1811, estimated the quantity of cotton manufactured in the United States, at $3,600,000 lbs. The value of the yarn at 90 cents per pound, was 3,240.000. In 1816, the capital employed in manufactures, was estimated at $40,000,000. The cotton used was estimated at 90,000 bales. The capital must have doubled since that time. The quantity of the raw material now consumed, can not be less than 180,000 bales, or 54,000,000 pounds. The value of the fabric, at 50 cents the pound, amounts to $27,000,000. The value, it is believed, is much more. Establishments are reared in almost every section of the Northern part of the Union, from Maine to the new States of the West. Everybody uses the fabric, because everybody can pay. He gives in exchange the products of his farm, of his labor, that would be worth little or nothing if he depended upon a seaboard market. Stop the manufacturer; throw the 180,000 bales of cotton into Europe; the effect must be two-fold; you glut the market there; diminish consumption here; for you deprive most of the people of the interior of the means of purchase.

It was feared by many, on the passage of the tariff of 1824, that commerce and navigation would be deeply injured. These fears had proved groundless. The trade in flour and grain, and other commodities of the South, transported to the North, in exchange for the productions of that portion of the Union, has gained with surprising rapidity. Communications between Louisiana and New England, are now as regular, as valuable, as between Glasgow and London, Lyons and Paris. Let gentlemen bear in mind the cause. Let us see whether commerce has been injured or benefited. See the condition of our exports of the great staples of the country, except cotton:

| | 1821. | 1823. | 1826. |
|---|---|---|---|
| Fisheries, - - - | $1,499,000 | $1,685,000 | $924,000 |
| Lumber, - - - | 3,974,000 | 4,498,000 | 2,301,000 |
| Wheat, flour and biscuit, | 4,476,000 | 5,151,000 | 4,400,000 |
| Tobacco, - - - | 5,648,000 | 6,382,000 | 5,215,000 |

At best, some articles have remained stationary, while others have decreased in a great proportion.

Now see whether our commerce has been injured by our domestic manufactures. We exported of these in

| | | | |
|---|---|---|---|
| 1821, | $2,754,000. | 1824, | $4,480,000. |
| 1822, | 3,120,000. | 1825, | 5,700,000. |
| 1823, | 3,139,000. | 1826, above | 6,000,000. |

A comparison of this statement of the exports of our manufactures with that of the exports of agricultural products, upon which this nation has placed the greatest reliance, proves that our manufactures afford the most efficient aid to our commerce. So much has been added to its operations, while agriculture continues to supply all foreign demand. Where manufactures flourish, the effects are seen in dwellings, in the cultivation of farms, in schools, roads, public accommodations, and every thing that gives value to society. The interior is especially benefited. Markets are created where none existed before, nor would ever exist but from this cause. These markets equalize the value of property, by giving value to all the productions of the ordinary industry of the people. The great capital now employed in the woolen manufacture, is in jeopardy. Nothing but the paternal arm of the Government can save it. The great agricultural interest depending on it, also claims the interposition of our common Government.

One great cause of the present depression of our manufactures, is that spirit of domination which impels England to control the trade and navigation of the world. It is now propelled by a national distress unparalleled in her annals. Manufactures laid the foundation of her wealth. Her attempts to push them to too great an extent, recoil upon herself whenever other nations refuse to surrender to her interest and policy. Driven from the ports of her former subservient customers, she must now seek new marts at all hazards. At the close of the late European war, free trade was the order of the day. England poured into the markets of some of the great nations of Europe the products of her industry. The effects were irresistible without the aid of the respective Governments. They did interpose. The following statement shows the loss to England in those countries, and the cause of her efforts in other parts of the world. In six years, ending with 1822, she sent, in all her productions,

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|---|---|---|---|
| To Russia, | £14,000,000. | To France, | £7,600,000. |
| Holland, | 12,000,000. | United States, | 38,333,000. |
| Prussia, | 6,000,000. | | |

Of woolens, her whole export in 1825, was about $30,750,000. The United States received about $10,716,000, one-third of all that England sent abroad.

Of hardware, she sent

| | | | |
|---|---|---|---|
| In 1819, to Russia, | £67,000 | In 1824, to Russia, | £20,000 |
| Germany, | 87,000 | Germany, | 74,000 |
| Prussia, | 9,000 | Prussia, | 3,000 |
| United States, | 460,000 | United States, | 488,000 |

Thus the value of our markets to England is apparent. Her manufacturers must desire to retain what they have, and to gain what they have lost by our own citizens. In order to exclude our cotton fabrics from certain South American ports, the English manufacturer had prepared others, of a poor quality, but with the marks and appearance of genuine American goods, and thrown them into the markets; and thus greatly injured, for a time, the reputation of our manufactures. In the United States, the cotton trade is safe, so far as protection is afforded. Foreign ingenuity, thus far, has been unable to elude our minimum duty.

But among the more immediate causes of the depression of our woolen manufactures, is the evasion of the *ad valorem* duty. The value is placed upon the fabric abroad, by persons in interest. The manufacturer appoints as his agent in the United States, one of his own countrymen. He makes his invoice as he pleases, and takes his formal oath. He must best know the value of this fabric, and it can not be disproved here. There is ample evidence, that goods are thus sent which do not pay the amount of duty which the tariff demands.

The American merchant is driven from the trade. It was estimated, in 1820, by the Mercantile Society in New York, that *four-fifths* of the dry goods imported from the United Kingdom, were on foreign account. There were 23,606 packages in all; 18,674 on foreign, and 4,932 on American account. Our merchants are daily giving up that branch of business; the foreigner daily gaining ground. The foreign manufacturer will not sell his goods to our merchants on the same terms as those on which he sends them to this country. He can evade the duties; the American merchant will not, dare not. He has a reputation, a standing in society, which he will not forfeit.

It has also been satisfactorily shown, that cloths in an unfinished state, are introduced at a low rate of valuation, and afterwards finished by persons in English employ. Mr. M. said he had recently been informed by a New York merchant, that flannels for broad cloths were now introduced, sent to an establishment, there dressed, and then sent to market. An experienced manufacturer has answered my inquiries as

to the difference of duties which would be paid on the flannel and the cloth. The flannel, 26 yards of which would make 20 yards of cloth, might be passed at the custom house for a duty on the whole, of.....$9 79

The duty on the cloth valued at $8 a yard,.....61 33

Difference,.....$51 54

Another cause of the depression of our manufactures is the great irregularity of trade. When the home manufacturer has the home market, supply will always accommodate itself to demand. He knows the capacity of the country to produce, and regulates his business accordingly. He is not overwhelmed with a sudden influx of fabrics which produces universal confusion. Mr. M. quoted from a popular work the remark, that "it is notoriously among the tactics of traders, to sell at a prodigious loss to ruin their rivals, if they see a possibility of doing it; and, in this case, they might accomplish it and get a profit," &c.

Mr. M. also mentioned credits for duties at the custom house. These are converted into cash for the benefit of the foreign manufacturer. They were equal to the same amount advanced from the National Treasury.

Auction sales, also, increase the evils of irregularity in trade. At any moment, foreigners may dash into our market any quantity of goods, and for any purpose. For instance, in July last, American goods of a particular quality were sold in the Philadelphia market for $2 50 to $2 60 per yard. In September, goods of the same kind were sold $1 90 to $2 per yard; making a fluctuation of 30 per cent. At the latter period, a large amount of English fabrics were thrown into market, and produced the ruinous fluctuation. Whenever the foreign manufacturer has a surplus, he will not overcharge his own market. This would produce a general reduction on all in the market at the time. He sends that surplus abroad. If he must sell at a loss, it is better to do it in a foreign country. He accomplishes a double object; he saves his home market, and throws confusion into the other. The effect of a surplus is well known in this country. If the market requires ten millions, we produce nine. The foreigner supplies the other; but afterwards sends two millions more. The effect is to reduce the whole 30 per cent., as in the case stated. Then, on the "tactics" of foreign manufacturers, the foreigner loses his 30 per cent. on two millions; the American 30 per cent. on nine. It is now known in Liverpool as well as in the United States, that our manufactures are giv-

ing way. The great object of the foreigner is about to be realized. No effort will be wanting, if it cost millions, to overwhelm our already half-ruined establishments. It seems to me the Government will not refuse the aid which can so easily be afforded.

One of the arguments of Mr. M. in favor of the proposed aid, was, that without it manufacturers must abandon their business; five or ten millions worth of the fabric would be withdrawn from the market; and prices must advance. England would monopolize the market, and continue to be the mistress of our trade. The manufacturer's capital would perish; and the farmer would suffer. Let those employed in manufactures engage in agricultural pursuits, and become producers instead of being only the consumers of agricultural products; and the market for the farmer's surplus produce would be destroyed, and be subject to the same fluctuation as that of the fabric of the manufacturer.

But we may be told, said Mr. M., that the measure proposed would create a monopoly. When some minor corporation, or one class of the people have the exclusive privilege of manufacturing some particular articles, and all the rest are prohibited, the danger of monopoly may be urged. But this monopoly injures only the nation that allows it. The most injurious monopoly, however, is, when one nation commands the industry and employment which another ought to possess. A nation becomes the greatest and the most dangerous monopolist. Italy monopolized the silk trade of France, England, and other nations. None could engage with safety, while free trade was allowed. France resisted the protection of silks, and soon excelled. She monopolized the trade of England, and could rival Italy. The Flemings monopolized the woolen trade of England and France. They could crush any new beginnings in those nations, who could not prevent it but by protection. The Dutch had a monopoly of the navigation of England; and had not protection been afforded, they might have had it at the present day. India had the monopoly of cottons in the United States. Had not the Government interposed, we might have been now supplied from that portion of the world. Our Government gave protection; and we now meet every nation in a common market, and send cottons to Smyrna and the East Indies. Our navigation was protected, or England might have kept it in perpetual subjection. But when a trade is open to all the people of a nation, no monopoly exists at home. When

we gave protection to the cotton manufacture, we created no monopoly. Domestic competition reduced the price of the fabric to the lowest reasonable profit. No one now complains of a monopoly. Security to the home market ever produces the same results.

Mr. M. said, as far as the bill went, it would tend to give stability to the manufacture, prevent, in a good degree, the frauds now practiced, and give solid protection. As it regarded the additional duty on wool, he observed that it might be considered as in violation of the maxim that a raw material ought not to be taxed by a manufacturing nation. England, it was true, had reduced the duty of six pence sterling per pound to one penny. But with the former duty she imported wool to a great extent. She can not produce the quantity nor the quality of wool demanded by her manufacturers. The United States can supply the raw material to any extent. The best wool can be raised. The safety of the manufacturer requires that the raw material should be produced at home. In case of hostile policy or of war, his dependence on a foreign supply would be his ruin. To produce it at home, as has been before remarked, is so much addition to the value of the farming interest, and no detriment to any other. The supply can and will be furnished. By adding to the duty, the farmer will have confidence in the market, will fear no hostile attempts from abroad, and will rapidly add to his flocks. It depends upon the wisdom of Congress to decide whether the interests of the farmer and manufacturer shall be protected, or left to unavoidable destruction.

Mr. Cambreleng, of New York, moved that the Committee rise. When the proper time arrived for vindicating the principles of free trade, he would prove that they were of American, not of British origin; that they were best suited to our condition and institutions; and that we treated British principles as we did British manufactures: we adopted them when it was for our interest to do so, and rejected them when it was not. The object of his motion was, not to address the Committee to-morrow; but that, when the motion should be again made to go into Committee of the Whole on the bill, the House should refuse for two or three weeks, until gentlemen could inform themselves as to the true character of the bill. The gentleman from Vermont had given much valuable information; but not that which was most wanted: he had not told us how much it was proposed to increase the duty

on woolen manufactures. Mr. C., alluding to the provision that woolens of over 40 cents and under $2 50, value in the foreign country, should be deemed to have cost $2 50. The effect of it would be to multiply the duty every time the value was multiplied. An article of the value of 41 cents being valued at $2 50, would pay six times the duty of 33⅓ per cent. *ad valorem*. Under this provision, almost the entire mass of woolen manufactures would be prohibited. It would not touch cloth of a fine quality; but it would touch that large amount which was consumed by the laborers, the mechanics, the farmers, the mariners—the great mass of the people in every section of the country. It was not a time to tamper with our tariff when the revenue was declining. The whole question of the tariff would be revived. It was not to be expected that we should be called upon to pass this prohibitory act for the benefit of the woolen manufacturers of New England, without calling forth other applications, equally well-founded, from other branches of industry and other quarters of the country. The woolen manufacture is in the same condition that we find, and shall always find, every other branch of industry, after a reaction in trade. The motion prevailed, and the Committee rose accordingly. The next day,

Mr. Buchanan, of Pa., rose to make a motion. It was now little more than six weeks before the close of the session, and there was no prospect of doing anything efficient upon the subject. His opinions upon the subject of the tariff had undergone no change. He was as decidedly friendly as he ever had been to the policy of sustaining domestic industry by protecting duties. When the proper time should arrive, he would manifest this friendship in a proper manner. He moved to discharge the Committee of the Whole from the further consideration of the bill.

This motion was debated for several days, when the motion was negatived: Yeas, 76; nays, 112. Those who spoke in favor of the motion, were Messrs. Buchanan, Cambreleng, of N. Y., Archer and Stevenson, of Va., Hamilton, of S. C., Livingston, of La., and Haile, of Mississippi. Those who spoke in opposition, were Messrs. Burges, of R. I., Mallary, of Vt., Bartlett, of N. H., Dwight and Davis, of Mass., Stevenson, of Pa., and M'Lane, of Del. Of the former, Mr. Buchanan alone, it is believed, was considered a proper protectionist. Of the latter, Messrs. Stevenson and M'Lane were protectionists, but were opposed to some of the provisions of the bill, and wished it altered by the Committee.

Among the reasons urged against the bill itself, one was, that it went farther than was necessary for protection.

Mr. Buchanan defended himself against the charge of inconsistency in having supported the tariff of 1824, and now opposing this bill. The former was a tariff of protection, not of prohibition. The present bill, if passed, would prohibit nearly all the woolen goods in common use, whose value should not exceed $3 50 a yard; embracing those worn by the poor and middle classes. He was in favor of a measure which would prevent frauds, and give a fair effect to the tariff of 1824. If the bill had proposed a moderate minimum, and a small addition to the *ad valorem* duty, it would have received his support.

Mr. Hamilton said, the object of the bill was to transfer the wool from the backs of Northern sheep to the backs of the poor men of this country. The tariff of 1824 was a mammoth, but this was a wolf in sheep's clothing. He protested against its injustice.

Mr. Burges said the true and only object of the bill was to give to the manufacturers of woolen goods the protection intended for them by the act of 1824. They had presented the subject in various memorials; and must they wait for a redress of their grievances a whole year, because certain gentlemen, not authorized by their constituents to do so, had suggested that other branches of manufacture were suffering in the same manner?

Mr. Stevenson, of Va., did not wish to have again the scenes which distracted the house in 1824, when after eight weeks' discussion, a bill passed that body by only a few votes. They had not time, nor were they prepared for such a state of things at the present session.

Mr. Stevenson, of Pa., a member of the Committee on Manufactures, said he had agreed with the majority of that Committee as to the principle of the bill; but he thought the minimum prices upon which the duties were to be charged, were too high. It tended to produce an impression unfavorable to the general purpose of the bill, and thus to defeat the whole design. In Committee of the Whole, facts might be elicited which would lead to the preservation of the minimum principle, and an equitable adjustment of its rate, so as to save the manufacturers, without violating the general principles of just legislation.

Mr. M'Lane opposed the motion to discharge the Committee. He was, and ever had been, an advocate for the tariff sys-

tem; but he was not prepared to say that he was prepared to vote for this bill in its present shape; though he was prepared to coöperate in modifying and improving it. Its consideration, at this time, was resisted on two grounds: First, that it will produce excitement, by striking at the vital interests of the country; and secondly, that it does not embrace a sufficient number of objects. He deprecated excitement; but if it is to be produced by the discussion of this bill, it must be because it is inseparable from the subject itself, and will arise whenever the subject is brought up. But why is excitement produced at all? It arises from a mistaken opinion that the interests of the different parts of the great national community are distinct from and opposed to each other. I do not believe this; and therefore I am in favor of the policy; but so long as an opposite opinion is held, the seeds of excitement will be here. The same causes of it will exist at the next session that exist now. As to the other objection, that the bill comprehends but one object, to be protected, I am in favor of its consideration now for this very reason. It has been usual to include many different objects in the same bill, in order to carry some one prominent object of policy through the House. I disapprove of legislating by compromise. Either a particular branch of industry requires protection, or it does not. If it does not, nothing should induce the House to protect it; but if it does, let it be fairly presented to the House, and receive that degree of protection which it merits.

Mr. Livingston said, if the proposition was to repeal a protecting law, he should be against it, though he had opposed the law. The frauds complained of must be prevented; but this bill goes much further. Instead of securing the duty already laid, it adds a new one, amounting to an actual prohibition of nearly one-half of all the woolen goods imported.

Mr. Mallary answered repeated calls that had been made for more detailed information in relation to the bill. He said, we have been told that the bill would destroy our woolen trade. I will first suppose that it will prohibit all the goods to which it refers. The whole imports in 1826, after making an average allowance for reëxportation, was $8,000,000. The class of goods to which the bill refers, it neither prohibits, nor can prohibit—that is, cloths, cassimeres, flannels and baizes: and goods of that general character amount to $5,132,000. About $3,000,000 can not be affected at all. Deducting also 750,000, which is about the amount of goods

above the highest minimum of $4, and is not reached, and there would be left $4,382,000 of the class of goods to which the bill has relation. Mr. M. presented an estimate of the several portions of this amount that would fall under the several grades of value, between $4 and $2 50; between $2 50 and $2; between $2 and $1 50; between $1 50 and $1; and those under $1, also baizes and flannels above and under 40 cents. He estimated that only a little over $1,500,000 in the aggregate of the amount of importations, might be excluded or prohibited by the bill. But this was only on the supposition that foreign fabrics would be offered to our markets in the same relative proportions, as to prices, that they now are. In the practical operation, however, the amount will probably be found much less. The foreign manufacturer, when he sees that sufficient protection is afforded to any portion which he now sends, will give us fabrics at or near some one of the minimum prices, at which there is little or no advance of duty. The effect of this may be to prevent the American manufacturer from supplying that particular fabric, and will have some influence on such qualities as the latter produces. Hence it is evident that the amount of foreign cloths to be driven out of our market will be less than has been stated.

Another inquiry has been often made: Can Americans supply the deficiency that may be produced by the bill? Mr. M. said he had on a former occasion endeavored to show the amount of capital employed, the quantity of raw material used, the vast number of factories wholly or partly suspended. Capital in the manufacture was not less than $40,000,000; the fabrics not less than 25 or $30,000,000. The articles that would be most affected by the bill, were such as can be most readily produced in this country. The proposed measure would set machinery in motion; new capital would be invested; and the market would be instantly supplied.

Another important inquiry was, what will be the effect of the bill upon the revenue? This, said Mr. M., must, of necessity, be a matter of opinion—judgment. From its nature, it could not be a subject of demonstration. Our revenue depends principally upon duties on imports. When all branches of trade flourish, the revenue is increased; when they decline the revenue is diminished. If tea rises in China, less is imported. If sugar is scarce, we import less. If spirits are cheap, we import more. If domestic productions have a good market abroad, consumption of foreign goods is augmented. Hence, we see our ablest financiers are constantly disappointed in their calculations.

But, said Mr. M., there are some rules on this subject which will not deceive us. A poor, miserable, impoverished country can not purchase of a foreign nation articles of convenience or luxury. *The capacity to purchase will always be the measure of revenue.* If it can not buy of other nations, it can not have revenue from imports. Whatever, therefore, diminishes that capacity to purchase, must diminish the revenue. If any class of people are bankrupt, ruined, they will only buy the very necessaries of life. Admit that the measure will reduce the importations one million and a half—that it will reduce the revenue $450,000. The loss of this would be well repaid by the salvation of the immense interest now depending. The danger of reducing our importations a million and a half ought to alarm no one. The ordinary fluctuations of the woolen trade have been much greater than the opponents of the bill have supposed would be produced by its operations. We imported woolen goods for consumption: In 1822, to the value of $11,552,000; in 1823, $7,492,000; in 1824, $7,530,000; in 1825, $10,216,000; in 1826, $8,000,000. Here is seen a great fluctuation. Revenue, also, must fluctuate. Yet no frightful consequences have followed.

The revenue derived from customs in 1824, the year in which the last tariff was enacted, was $17,878,000, more than a million less than in 1823. In 1825, it was $20,098,000; in 1826, $23,273,000. By the tariff of 1824, business was revived; and active employment was given to capital and labor. This increased the ability of the people to purchase; and hence the increase of revenue. Though some foreign articles should be excluded, the increased domestic production would enable the people to purchase other articles of greater amount.

Mr. M. then showed, from the Treasury statements, the steady increase of imports of silks, teas, coffee, sugar, and molasses, the aggregate value of which was, in 1821, $15,581,000; in 1822, $21,984,000; in 1823, $22,062,000; in 1824, $23,242,000; in 1825,$25,957,000. Silks from $4,487,000 in 1821, increased to $10,200,000 in 1825, and $8,278,000 in 1826. Teas imported in 1821, were 4,976,000 lbs.; in 1826, 10,098,000 lbs. Sugars in 1821, 59,512,000 lbs.; in 1826, 84,872,000 lbs.—an article, too, protected by a liberal duty of 3 cents per lb., equal to 50 per cent. *ad valorem.* From New Orleans alone, 40,000 hogsheads, amounting to 40,000,000 lbs. of Louisiana sugar have been exported, and of course consumed in the United States. It is estimated that next

year 50,000,000 lbs. will be produced in that State. Let it be borne in mind, that the duty is the cause of the increased production.

Another fact in illustration of the position I have taken, said Mr. M., that domestic manufactures promote the revenue, is from the enterprising, meritorious proprietors of the Steubenville manufactory in Ohio. They sell annually from $25,000 to $30,000 worth of foreign productions ; the duties on which are from $8,000 to $10,000. It is a part of the revenue of the nation. Payment is made to them in the produce of the surrounding country, demanded by those whom they employ, and in wool received from the farmers. They have paid cash for that important article, but they can do so no longer. They have made remittances in wool and cloth to meet the demands against them at the sea boards. Not a dollar in money has been sent by them out of Ohio ; but they have been able to carry back large sums which have been distributed around their establishments. Blot out their employment ; cut off the aid it gives to the wool-grower and all who depend on them for a market—the effect is clear. Foreign articles from which the revenue is derived, can no longer be purchased. Revenue stops. Apply this to the whole country. Scatter $40,000,000 of capital belonging to the manufacturers. Paralyze $40,000,000 more belonging to the farmers. No man can doubt that the revenues of the country must rapidly decrease under the depression of these great and vital interests.

The question being put on Mr. Buchanan's motion to discharge the Committee of the Whole, it was, as before stated, decided in the negative : Yeas, 76 ; nays, 112.

Mr. Barney, of Md., proposed an amendment to reduce the minimum valuation of $2 50 to $1 50, intending, if it should be adopted, to move a gradual scale of minimum prices to be substituted for those in the bill. A long debate followed, in which the principle of protection, and the merits of the bill, as well as of the proposed amendment, were discussed.

Mr. Barney said, the scale of minimums was not sufficiently graduated ; their " strides were too gigantic." Between the first and second class, $1,100,000 would be embraced, and the duty exceed 200 per cent. This was not protection, but prohibition. He was in favor of the former, but not of the latter. The trade had passed in a great degree out of the hands of the American merchant, and was now monopolized by the

British manufacturer and his agent in this country. Every species of fraud was resorted to, to diminish the duties. The appraisers were the only guards against frauds, and their labors were complicated and arduous. Their task could be performed with more accuracy if a graduated scale were established, fixing four or five classes from 40 cents to $4, than when there are as many grades as dollars and cents.

When we look, said Mr. B, at the amount involved in the discussion of the bill, it can not be esteemed an object unworthy the consideration of this House. In a population of ten millions, while many consume the value of $100 annually, the woolen clothing and blanket of the Southern negro cost $4 to $5, and a moderate average of $10 to each individual, would swell the annual consumption to $100,000,000; and it is truly gratifying to reflect that we only require an importation of $6,000,000 under the present disadvantages of which the manufacturers complain so loudly. Is it not reasonable then to anticipate, that, if they are secured in a fair competition, by a faithful and rigid exaction of the existing duties, they will not only supply the home demand, but, in a few years, rival the foreign fabrics in all the markets of the world? But to insure them this protection, it is, in my judgment, necessary that they do not grasp at too much, but accept such modifications of the bill now before the House, as will deprive it of its objectionable features, and entitle it to support. In its present form, it can not receive my sanction.

Mr. Mallary said the change proposed would, in a great measure, defeat the object aimed at by the Committee who reported the bill. As modified by the gentleman from Maryland, the bill would not exclude the $1,100,000 imported, because a great part of those goods came within the range of $2; and the amount excluded would not be an equivalent for the evasion of duty on those admitted. But if the second minimum were fixed at $2 50, it would exclude a large amount of goods at $2. The million and a half's worth which he had before said would be affected by the bill would not all be excluded; because the manufacturers abroad would so change the quality and value of their fabrics as nearly to suit the several minimum prices established. A gradual scale of prices, having smaller intervals than those proposed by the bill, would rather aid the foreign competitor than drive him from the market. For all the goods would continue to be imported which now are; but would be crowded below the

different prices, and the evasions would be easier than ever.

Mr Ingham, of Pa., opposed the bill for the following reasons among others. Its tendency, said Mr. I., is to corrupt the whole mercantile community; and how? Woolen goods which cost 40 cents the square yard pay 13⅓ cents per yard; but if the cost be 41 cents, the duty will be 83 cents. Now will any importer allow his agent in Europe to invoice a parcel of woolen goods at 41 cents, when he would have to pay 70 cents a yard more duty than if the goods were invoiced at 40 cents? Consider the temptation. On an importation of 10,000 yards, the difference of 70 cents a yard makes $7,000 clear gain. Is there any virtue strong enough to resist such a temptation? If there be, he who possesses it will be driven out of the trade, and give place to those whom your laws will have corrupted.

Mr. I. spoke of the difference between the woolen and the cotton manufacturers. Our markets, he said, are glutted with foreign goods, which are sold at so low a rate that our woolen manufacturers can not compete with them. Why does this injure the woolen manufacturer more than the cotton? The reason is obvious: The raw material, cotton, has fallen in the same proportion as the manufactured goods. Not so in relation to wool. We imposed a high duty on imported wool in 1824, to keep up the price at home; and the manufacturer who pays this duty, can not compete with the European manufacturer, who gets his wool free of duty, or nearly so. While we were endeavoring to keep up the price of our wool, we destroyed our market. Those only who could bring it into market, viz.: the manufacturers, were broken down by the competition of those who could make cheaper goods, because they had a cheaper raw material. Our woolen manufacturers provide the only consumption of our wool; and unless they are prosperous, we can have no market. The wool grower must rely upon his home market; and his interest is to cherish that market by every means in his power. A ready sale for all the wool he can grow, at a low price, is better for him than a higher price with a very limited demand. We must first secure the market; then take our chance, in a competition with the world, for the price.

Mr. Claiborne, of Va., said he had heard on this floor much unsound logic on the subject of the tariff. His views of the subject had brought him to these conclusions: 1st. All

duties on imported articles are a direct, downright, and positive deduction from the price of the wheat, the tobacco, or cotton, exchanged abroad for such imported article. 2dly. All duties on imported articles used in this country, fall, directly or indirectly, on the agricultural interest, the foundation of all other interests. In 1824, the American mind was nearly equally divided on the policy of the law regulating the duties on imports. By compromise, it has been said, the present system was brought about. For his part, he would rather recede than advance a single peg. He founded his opposition to protecting duties on the letter of the Constitution. The Constitution gave the power of laying duties; but it wisely defined the purposes for which we were authorized so to do; to pay the debts, provide for the defense of the country, and promote the general welfare. He had heard the words "*spirit of the Constitution.*" What is it? and where can I find it? Lucky thought—'tis visionary, undefined, and unrestrained discretion. When called on to lay duties on articles of prime necessity, he looked at the people. This was right. If debts were to be paid, the country to be defended, the general welfare advanced—not the interests of the manufacturers to the detriment of the agriculturists—he would advance to the hub, and boldly lay duties, or make appropriations. But when gentlemen went on to protecting duties, he could not travel with them.

Mr. Davis, of Mass., in reply to certain remarks of Mr. Ingham, said: He [Mr. I.] commenced his argument by an eulogium on the policy which has brought the manufacture of cotton to its present prosperity. This he imputed to the tariff of 1816, which levies a square yard duty. But the gentleman remarked, that the bill under consideration involved a new principle, because it contains more than one standard by which the duty is to be assessed on the square yard. This I deny: for the principle consists in fixing the standard. It lies in establishing by law the price of goods; and it can not be material whether there be one or more standards in a bill; the principle remains the same.

But the gentleman says a scale of minimums opens a temptation to fraud and perjury which no virtue can resist. That men of corrupt morals may attempt, by their invoices, to crowd goods which, in values, should rise a little above a minimum, or below it, I have no doubt, because they would pay less duty. But as you advance in price above any minimum, the further you recede from it, the more obvious it is

rendered that the goods can not be invoiced below it, until you arrive at a point where it is so apparent that the goods must rise above the minimum value, that no doubt can remain about it. Here fraud and knavery must cease; and this point is not far removed from the minimum: so that, for the most part, this bill would keep importers honest. Now how is it with the law as it now stands? Does it not hold out temptation to fraud and perjury? Is it not obvious that, if goods are set at less than their value in the invoice, the owner gains one-third part of every dollar he depresses them? Is not this temptation? and ought not all the revenue laws to be repealed because a man may sin under them? The law, as it now is, affords, through all its operations, a temptation to defraud and cheat in every kind of goods. The bill before us has at least this recommendation, that frauds can only be effected in goods the value of which approaches near to the square yard standard.

Mr. Barney varied his motion of amendment in such a manner, as to insert a minimum of $1 50 between the two minimums of 40 cents and $2 50.

Mr. Stewart, of Pa., supported the bill from its supposed benefit to agriculture. He regretted to find himself in opposition to two of his most distinguished colleagues, [Buchanan and Ingham,] with whom he had coöperated in support of the tariff of 1824; which, in his judgment, was not more important to the agricultural interest of Pennsylvania, than the bill under consideration. This bill would create a home market for our farmers which no changes in Europe could affect, and prevent the importation of foreign agricultural produce to the neglect of our own. For, said he, what is the importation of cloth but the importation of agricultural produce? Is not cloth the product of agriculture? Analyse it; resolve it into its constituent elements; and what is it? *Wool* and *labor*. What produces the wool? Grass and grain. And what supports labor but bread and meat? Cloth is composed of the grass and grain that feed the sheep, and the bread and meat that support the laborer who converts the wool into cloth. And is it policy for this country, where seven-eighths of the population are agriculturists, to import annually ten millions of dollars' worth of grass and grain, and bread and meat, converted into cloth?

That the importation of cloth is the importation of agricultural produce, may be regarded as a novel doctrine; and to assert that thousands of tuns of grass and corn are annually

transported from Ohio and Kentucky to the Atlantic markets, would be considered no less strange; but it was not less true. It is transported, not in its original shape, but like cloth, in a changed and modified condition. It is animated—converted into live stock, cattle and horses. Each of these animals carries five or six tuns of hay, and fifty or a hundred bushels of corn for consumption to the markets of the East, which it is the policy of this bill to sustain and increase. Hence, it is a bill for the benefit of agriculture. There is no foundation for the objection that it will tax the farmer and ruin agriculture. This argument has been urged a thousand times against this policy. It was urged against the minimum of 25 cents per yard imposed by the tariff of 1816, upon cotton. What has been the effect of that minimum upon cotton? It afforded effectual protection in that case as it would in this. It has established the manufacture in this country; and has it taxed the farmers? No; it has furnished the country a better fabric for one-half the sum it cost before. Nor is this all: it has supplied a home market to the Southern planter for 180,000 bales of cotton annually, worth $7,000,000. This market is not only permanent, but increasing; thus verifying every anticipation of its friends, and affording a most triumphant refutation of every objection urged by its enemies. It has furnished facts and experience in opposition to speculation and theory. And similar effects will result from a similar policy in regard to wool.

Speaking of the advantage of protection to manufactures in creating a home market, Mr. S. said, that already the New England States had imported, in a single year, 629,000 barrels of flour from the agricultural States for consumption in their manufacturing establishments, while all Europe had taken less than 57,000 barrels. The tendency of this policy was also, not to create, but to prevent monopolies, and benefit the farmer. It would increase the number of woolen establishments and the quantity of the manufactured articles; and this increased competition would reduce the price of the manufactured fabrics, while the increased demand for the raw material and bread stuffs would as certainly enhance the price of these articles of agricultural produce. In illustrating this argument, Mr. S. referred to the woolen establishment at Steubenville, Ohio, [the same that had been referred to by Mr. Mallary in this debate.] It consumed annually $50,000 worth of agricultural produce of the surrounding country. Now if, by rejecting this bill, that establishment

should be destroyed, what would be the effect on the farmers? It would not only destroy this market, but increase the quantity of agricultural products by converting customers into rivals—consumers into producers of agricultural products. But suppose that, by passing this bill, two or three other establishments should be put into operation in that place, which he stated from personal knowledge would be done; would this impose a tax on the farmer for the benefit of the manufacturer? Would this create monopolies? Precisely the reverse.

Mr. S. also controverted the idea that the encouragement of manufactures was injurious to commerce. He held it to be a sound political axiom, that the prosperity of commerce would always be in proportion to the prosperity of agriculture and manufactures. Commerce was properly called the handmaid of agriculture and manufactures. Her legitimate office was to carry and exchange the surplus productions of one country for the money or surplus productions of another. Destroy agriculture and manufactures, and commerce would be destroyed.

Nor would this measure diminish the revenue. If less cloth should be imported, the importation of other articles would be increased. The best plan to increase the revenue, was to increase the prosperity of the country—to increase its ability to purchase and consume foreign productions; as was the case at Steubenville, where there were annually consumed, at that establishment, imported goods to the value of $30,000, on which were paid duties to the amount of $10,000.

Mr. Archer, of Va., said there were two laws of protective tariffs. The one, that every tariff of this kind, after producing a temporary inflation of the interest it favored, occasioned its distress. The other, that one of these tariffs generated another. It resulted from the last law, that the dispute which had engaged so much attention, whether any of the proposed duties would be prohibitory or not, was less material than had been supposed. If they were not prohibitory now, they would be shortly. Only three years ago, we had given the present protecting duty, then thought a high one, of 33⅓ per cent. The cry was louder now for more protection than then. There was little doubt that the occasion was more pressing. Grant the present bill, and in three years more, another and final tariff would come to shut the gate, and bar the narrow admission which might now be left unclosed.

Mr. A. admitted that the markets in the immediate neighborhood of the manufactories would be improved by their extension; and this had been confounded with a general improvement of the market of the country, which would, in fact, suffer from the reduction in the whole value of the national exchanges, to the amount of the taxation imposed by the bill.

Several amendments had been proposed in the course of the debate, and motions made to recommit; but they had generally failed. On the 8th of February,

Mr. Michael Hoffman, of N. Y., moved to recommit the bill to the Committee on Manufactures, with instructions so to amend the same as to make the duty on wool commence at the same time as the duty on woolens. [By the bill, the duty on wool was to commence a year later than that on the manufactured goods.]

Mr. H. said, a question has been raised in the course of this debate, whether Congress can impose duties merely with a view to protect domestic industry. But such a question can not now arise. It is too early. We have an immense debt of about seventy millions; the interest must be paid; the principal must be reduced; and we must meet the current expenses of the government. To do this, we must, for many years, levy, in some way, a revenue equal to about twenty millions of dollars a year. How shall we levy this sum annually? If the money be raised by direct taxes, or an excise, it is hard to meet it on a given day, when every citizen is called to make payment. In truth, the currency of the country would be insufficient to meet it at once. If the tax be indirect, it is easier for the consumer. The merchant and capitalist first advance the money, and as we pay them for the advance, we do not feel indebted to them; but the consumer pays when he will, to whom he will, how he will, and as much as he pleases. He contracts with the merchant how, when, and in what, he is to pay, and therefore makes it easy and practicable. If we must raise 20 millions a year, no better mode can be devised to do it than by impost and tunnage duties. In this way the consumer of foreign goods, charged with a duty, while he supplies himself, pays the National Debt, and contributes to the support of the Government. But when he buys of the American manufacturer, instead of paying part to him, part to the shipper, and a large part into the treasury, towards the taxes, he pays the whole to our manufacturer; that is, instead of paying him $100 he

pays him that, and the ships' charges and duties, to the amount, in all, of $120, $130 or even $140. This great excess paid to our own manufacturer, induces him to sit down by the side of the American farmer and planter. By purchasing of him, we lose the opportunity of paying the debt and expenses of the Government; but our citizens acquire a vast advantage from the establishment of manufactories among us. While we import our goods, and the persons who make them reside in other countries, sometimes from the great distance, and oftener from the laws and policy of those countries, our citizens can not supply them either with provisions or the raw material. Our citizens must buy of them, but can not sell to them. But if the manufacturer will plant himself in our country, our citizens will supply him, not only with the raw material, but with every necessary and every luxury of life. This opens to our people a new and necessary market for their products; and it is desirable that our measures should be such as should cause these establishments to grow up in every quarter of the country.

Believing that some greater encouragement is due to the manufacture of woolens, I have been not only favorably disposed to, but in favor of this bill. If objections have forced themselves upon my mind from its crude and imperfect state, inclination has sought out reasons to obviate such objections. I would have preferred the first minimum, and an increase of the present *ad valorem* duty to about 40 per cent. But as the first minimum of 40 cents will so far protect both our revenue and manufactures, and considering it impossible that each should have his own wishes gratified, I have concluded to support the bill, if the amendment which my motion seeks can be attained.

The tariff of 1824 appears, to my mind, not to be an entire and substantial protection to our manufacturers. But however great I may suppose their misfortunes, those of the wool-grower must be greater. The reduction of the price of wool must have been rather an advantage to the manufacturer; but to the wool-grower it has been loss and ruin. By the provisions of the second section of the bill, the duties on imported woolen goods are to be increased, and are to go into operation for the protection of the manufacturer on the first day of August, 1827. I wish this altered to an earlier day. If it is not, we shall have an immense importation of woolens before that day. But there is to be no increased duty on wool, until the 1st of June, 1828. The provisions of the bill

will be known to the whole world. You invite the wool-growers of Europe to send their wool hither, and give them more than a whole year in which to do it. The imported wool will be cheap, and will reduce as well that which will be shorn in 1829, as any shorn before. If you increase the duty, your act should go into effect before foreign wool can be ordered in, to anticipate your law and the rise of the article.

The gentleman from Vermont [Mr. Mallary,] has told us that the Committee feared that, if the duty on wool should go into operation as soon as the duty on woolens, the country could not furnish the wool necessary for our manufactures; and that the duty on wool was postponed to enable our citizens to increase their flocks, and meet the demand. I think the assertion, that we are not now able to produce the requisite quantity of wool, is unfounded in fact. There are vast quantities on hand—double or triple the quantity imported. It is not imported for consumption, but to reduce the price. Not one-twentieth of the quantity used by our manufacturers is imported; and that twentieth can be supplied for the present by the vast quantities on hand, and hereafter by the increase of our flocks.

Mr. Stevenson, of Pa., one of the Committee on Manufactures, though a protectionist, opposed the bill. He said: It pours wealth into the lap of the New England capitalist, while its tendency is to break down the humbler efforts of our Western industry. It suffers New England to accomplish her great object, while she concedes nothing. It lures the wool grower to be accessory to its passage, but deceives his expectation by failing in reciprocity. The Eastern manufacturers opposed the increase of duty on wool; and with such effect, that the majority of the Committee decided against the duty; and it was not until the last meeting, when the Committee were admonished to be *wise*, that they inserted the duty on wool. The wool-grower is won by a fallacy. The duty on woolens goes into effect on the 1st of August, 1827. The merchant who has a large stock on hand, is to feel the immediate benefits of a rise. The manufacturer is to feel it in August next. How is it proposed to treat the wool-grower? On the 1st of June, 1828, he is to have the benefit of an increase of 5 per cent. on all wool now chargeable with a duty of 30 per cent.; but foreign wool, which costs at its place of purchase not over 10 cents, now pays only 15 per cent. duty; of course there is no additional duty on wool of this class.

On the 1st of June, 1829, there is to be a further increase of duty of 5 per cent. on wool costing over 10 cents. Thus, then, the bill proposes ultimately to give an increase of 10 per cent. on imported wool costing upwards of 10 cents in the foreign market, and to leave all under that at a duty of 15 per cent. only. I ask that the duty shall go into operation on wool and woolens, hand in hand as to time and rate.*

Mr. Wright, of Ohio, believing that the friends of the bill should take measures to secure an immediate vote upon it, moved the previous question. The previous question was ordered by a vote of 105 to 95. And the bill, (Feb. 8,) was ordered to a third reading, 108 to 99.

On the 10th, the bill was read the third time; and the question being on its passage,

Mr. Cambreleng took the floor, and addressed the House at length in opposition to the bill, and moved its postponement until the 4th of March next. He withdrew the motion, however, at the request of

Mr. Buchanan, who moved its recommitment to the Committee on Manufactures, with instructions to make the duties on wool and woolens commence at the same time, and to increase the duties on spirits and hemp.

Mr. Lawrence, of Pa., opposed this motion at this late hour, and briefly defended the bill against the objections of his colleagues; denying that it was exclusively for the benefit of the manufacturer. He believed it would equally promote the interests of the farmer and the manufacturer. Their interests were blended; and the protection to the one was directly or indirectly felt by the other. He believed Pennsylvania would be benefited by the passage of the bill.

The debate was continued by members from Pennsylvania; Messrs. Buchanan, Wurtz, and Stevenson, in favor of the recommitment and against the bill; and Messrs. Miner, Lawrence, and Stewart, against the recommitment and in support of the bill.

A motion by Mr. Cook, of Illinois, to lay the bill on the table was negatived: Yeas, 84; nays, 108.

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* The friends of protection, though generally agreed upon the principle, that the interest of both the producer and manufacturer of wool requires that the latter should be supplied cheaply with the raw material, differed materially as to the rate of duty by which its production should be encouraged. That the duty on a raw material should not exceed, but should generally be less than that upon the manufactured article, scarcely admits of dispute.

Mr. Ingham, of Pa., closed the debate in a speech of considerable length in opposition to the bill.

Mr. Bartlett, of N. H., after an unsuccessful motion of Mr. Mitchell, of Ten., to adjourn, demanded the previous question, which was sustained, 97 to 85. The main question was ordered, 102 to 98.

Mr. Cambreleng moved to adjourn. Negatived, 81 to 105.

The question on the final passage was then taken, and decided in the affirmative: Yeas, 106; nays, 95, as follows:—

*Maine:* Yeas, 8; nays, 4. *New Hampshire:* Yeas, 6. *Massachusetts:* Yeas, 12; nay, 1. *Rhode Island:* Yeas, 2. *Connecticut:* Yeas, 6. *Vermont:* Yeas, 4. *New York:* Yeas, 26; nays, 6. *New Jersey:* Yeas, 6. *Pennsylvania:* Yeas, 18; nays, 5. *Delaware:* nay, 1. *Maryland:* Yeas, 2; nays, 4. *Virginia:* Yea, 1; nays, 19. *North Carolina:* Nays, 13. *South Carolina:* Nays, 9. *Georgia:* ———, 5. *Kentucky:* Yeas, 4; nays, 7. *Tennessee:* Nays, 9. *Ohio:* Yeas, 13; nay, 1. *Louisiana:* Nays, 3. *Mississippi:* Nay, 1. *Indiana:* Yea, 1; nays, 2. *Illinois:* Nay, 1. *Alabama:* Nays, 3. *Missouri:* Yea, 1.

In the Senate, the bill was taken up on the 13th of February, and referred to the Committee on Manufactures. On the 15th, the Committee reported the bill without amendment. On the 19th, a motion was made to refer the bill to the Committee on Finance; and after considerable debate, in which the reference was advocated by the opponents of the bill, the question was taken, and decided in the negative: Yeas, 23; nays, 24. Several motions to recommit the bill with instructions were negatived. On the 28th, but three days before the close of the session, the bill coming up in its course, Mr. Hayne said it was obvious that it could not be acted on at this session, and moved to lay it on the table: Yeas, 20; nays, 20. By the casting vote of Vice-President Calhoun, the question was decided in the affirmative.

# CHAPTER IX.

**Harrisburg Convention preceding the tariff of 1828. Congress meets in December, 1827. Secretary Rush's report. Bill reported by Committee on Manufactures. Debate on the bill; its passage in the House. Debate and passage in the Senate. Debate on the bill, and its passage.**

DISAPPOINTED in their expectations by the defeat of the "Woolens Bill," the manufacturers early resolved on a renewal of their application to Congress for relief. At a meeting of the Pennsylvania Society for the promotion of Manufactures and the Mechanic Arts, held on the 14th of May, 1827, Charles J. Ingersoll presiding, in view of "the depressed state of the woolen manufacture and of the market for wool, together with its injurious effect on other departments of industry and on the general welfare," resolutions were adopted calling on the farmers and manufacturers, and the friends of both branches of industry, to hold conventions in their respective States, and to appoint at least five delegates from each State, to meet in general convention at Harrisburg, on the 30th day of July, to deliberate on measures to be taken in the present posture of their affairs, and appointing a committee of twenty-seven, to frame an address to the citizens of the United States.

The Committee, in their address, discussed the policy of protection, and set forth the causes of the depression of the manufacturing interest, and the effect of this depression upon the other great interests of the country. Above eighty per cent. of the population was engaged in the pursuits of agriculture; and for the large surplus of the produce of the soil, there was no market at home or abroad. The want of a market operated severely upon the Middle and Western States. Europe no longer wanted their grain and flour, and her ports were closed against them, while these States consumed of the manufactures of Europe to the amount of $10,000,000 to $12,000,000 in value annually.

To show the effects of the closing of the European ports against our breadstuffs, the amount of our exports of breadstuffs during the year 1825, were compared with the amount exported while our wheat and flour had a foreign demand

It appeared that, while our population had nearly trebled since 1796, the exports of all the articles produced, exclusive of cotton and tobacco, had diminished nearly one-third. The arguments in favor of the desired protection and of the general policy, were substantially the same as those offered in previous discussions of this subject.

In pursuance of the call of the "Pennsylvania Society for the Promotion of Manufactures," &c., State Conventions were held, and delegates were appointed to the National Convention at Harrisburg. From the proceedings of these State Conventions, and the names of the persons who composed them, there appears to have been greater unanimity at that time among the people of the Northern States on the subject of the tariff than there was at a later period.

The New York State Convention was held at Albany. Jesse Buel, of Albany, was the President of the Convention, and Edmund H. Pendleton, of Dutchess, and David E. Evans, of Genesee, were Secretaries. The Convention was addressed by Col. Samuel Young, of Saratoga, Gen. Van Rensselaer, of Columbia, and other gentlemen, in support of the purposes for which it had been called. Among the delegates appointed to the Harrisburg Convention, were some of the most prominent citizens of the State, viz.: Eleazer Lord, Peter Sharp, Gen. James Tallmadge, Jacob R. Van Rensselaer, Samuel M. Hopkins, Samuel Young, John B. Yates, Alvan Stewart, Victory Birdseye, Enos T. Throop, Francis Granger, Philip Church, and others, together with the officers of the Convention.

A long series of resolutions was adopted, of which we copy the following as expressive of the common sentiments of the people, at that time, of the different political parties in the Northern States:

"*Resolved*, That agriculture, manufactures, and commerce are social pursuits, and flourish best in the society of each other; and that equal protection by the Government is due to each.

"*Resolved*, That, as wool and the woolen trade were the principal foundation of the prosperity, first of the Netherlands, and afterwards of England; so the people of the Northern and Middle States ought to look to the same article as an unfailing source of wealth to their agricultural, manufacturing, and commercial interests.

"*Resolved*, That, inasmuch as the staple agricultural products of the South, to wit, cotton, tobacco, and rice, are ad-

mitted into the ports of Europe without competition in their production in that part of the world; and while both competition and prohibitory laws operate to exclude from European markets the breadstuffs, provisions, and manufactures of the Northern, Middle, and Western States, we deem it unkind in our Southern brethren to oppose the passage of laws which are calculated to create a home market for our agricultural productions, and to promote our national wealth and prosperity."

There were in the national Convention at Harrisburg, 95 delegates from the following States: New Hampshire, Massachusetts, Rhode Island, Connecticut, Vermont, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, Kentucky, and Ohio. JOSEPH RITNER, of Pennsylvania, was chosen President; JESSE BUEL, of New York, and FRISBY TILGHMAN, of Maryland, Vice-Presidents; WILLIAM HALSTED, Jr., of New Jersey, and REDWOOD FISHER, of Pennsylvania, Secretaries.

Committees upon several of the most important branches of manufacture were appointed, and a committee to draft a memorial to Congress: also a committee to prepare an address to the people of the United States. The reports of the committees form a large volume, embracing a great amount and variety of facts and statistics that were not only in themselves interesting, but useful to the political economist and the statesman. The memorial and petition to Congress contained the project of a tariff of duties upon raw wool and the different kinds and qualities of woolen manufactures, for the consideration of Congress. An increase of duties on other articles of manufacture was also recommended.

Congress assembled on Monday, the 3d day of December, 1827. The Message of President Adams made no direct allusion to the subject of the tariff. The Secretary of the Treasury, Mr. Rush, however, in his report, discusses the subject somewhat at length, and expresses the belief, that the rates of the tariff of 1824 "might be augmented in important particulars, without affecting injuriously the interests of foreign commerce; and that a true national policy dictates their augmentation." Since the tariff of 1824, our imports and exports had increased. And this increase, he said, "becomes the more striking from the consideration that, in 1826, there was witnessed, in Europe, an extraordinary depression of prices. This was followed by a proportionate stagnation in all the operations of purchase and sale. The evil was pro-

ductive, in that hemisphere, not only of great individual suffering, but of anxiety in Governments. It was at such a moment that we began to reap the benefits of the profitable turn given to a portion of the industry of our own country, by the provisions of the tariff. Had it not been for the demand of our own manufacturers for some of the agricultural staples of the country, the presumption is authorized, that the fall of prices in Europe, at that period, would have been differently felt by our agricultural classes here. The increased number of artisans within our own borders, and the greater scope of their operations, left the agriculturist less dependent upon foreign markets than if the latter had been his sole reliance.

"Nor have the benefits of manufacturing industry ended here. The proof strengthens, that many articles have become cheaper, more abundant, and of better quality, by the effect of competition among the home artisans, than when derived only from abroad. The opening of new objects of labor, by multiplying the occupations of men, has also increased the public prosperity. This has produced an increased ability to buy all articles of consumption, whencesoever obtained. Hence, foreign trade has not declined, whilst new domestic resources in manufacturing labor have been unfolding themselves. As the latter are more amply brought out, it is confidently anticipated that the former will become wider and more enriching in its range. If there can be no dissent to the maxim as between independent nations, that the prosperity of one promotes that of another, it can not be doubted that different parts of the same nation will derive reciprocal prosperity from the same cause."

The Secretary considered manufactures as promoting the riches, the security, and the power of the State. "The effect upon agricultural prices produced by the perpetual presence of armies in a country, will not too strongly illustrate the extent of the benefit that the manufacturing class renders to the class of farmers. The parallel ends, indeed, here, and ends beneficiently; for whilst the soldier does nothing but consume, the manufacturer produces, as well as consumes, supplying the farmer with articles as necessary as those which he receives from him.

"Manufacturing industry advances the intellectual, no less than the physical power of a State, by the various knowledge which its complicated pursuits put into requisition. It is the course of industry which must lay the foundation of those

arts which tend to refinement in a nation, for which intellectual nations, and none more than republics, have acquired renown.

"The time has passed when objections might be made to manufactures, from the limited amount of our population, and the dearness of labor. The population, throughout large portions of the Union, is now sufficient, both in amount and density, for any operations of manual labor; whilst science, by applying its inventions to this kind of labor, has abridged its expensiveness.

"As little has the objection to manufactures, founded upon moral causes, any place. That they lead to deterioration in portions of the people, is not to be admitted. Facts, on the contrary, teach, that the freest and most enlightened, as well as most opulent and powerful countries of Europe, are those in which manufacturers bear the greatest proportion to the other productive classes. Their success begets industry, which is favorable to good habits. It begets prosperity, which supplies them with comforts and raises up their condition. The remark rests on general results, aside from partial exceptions. It is equally borne out by facts, that countries in which there is an undue predominance of agricultural population, are the poorest, and their inhabitants the most depressed."

The Secretary recommended an increase of duties especially upon the following articles: 1. Woolen goods and foreign wool. 2. Fine cotton goods. 3. Bar iron. 4. Hemp. He said:

"The time that has passed since the tariff of 1824, has been sufficient to show, that the duties fixed by it upon these articles, are not adequate to the measure of success in producing them at home, which their cardinal importance merits. A change, since 1824, in the laws of Great Britain, in regard to those first named, has also rendered almost abortive the provisions of the tariff in their favor. For a period of six successive years, ending with 1826, the value of woolen goods and cotton goods imported into the United States from that country, exceeds $100,000,000; and the value of iron and articles manufactured from iron, $17,000,000. During one of these years, the woolens exported from that country to this, exceeded the amount of those exported to the whole of Europe put together. For the means of exchange against an amount of foreign manufactures so great, the United States have had three principal staples of their soil: wheat

flour, tobacco, and cotton. The first of these, that country has, by her laws, positively or virtually excluded, during the same period of years, from consumption within her dominions. The second she has admitted under a duty of more than 200 per cent. The third she has received with little scruple. She has known how to convert it into a means of wealth to her own industrious people, greater than had ever before, in her whole annals, been derived from any single commodity. This she has done, first, by working it up for home use, upon the largest scale; and, next, by making it subserve the interests of her foreign trade. She has sent it over all seas, wherever a market opened, but chiefly, back to us, to be bought under the enhancements of her own labor, at prices four and five fold those which she paid us for it. Commerce, upon the terms attested by such facts, can not be pronounced just, as between the parties. The best interests of the nation point to the expediency of reviewing and correcting a species of commercial intercourse so unequal. The woolen, cotton, and iron goods, imported from all other parts of the world, during the years indicated, are but about one-sixth part of those of the value of those obtained from the country whose laws fall with edicts of exclusion, or with such disproportionate duties, upon the produce of the United States. The complete establishment of American manufactures in wool, cotton, iron, and hemp, is believed to be of very high moment to the nation."

Mr. Mallary, from the Committee on Manufactures, to which were referred sundry memorials, petitions, and remonstrances, in relation to an increase of the tariff of duties on imports, by way of protection to home manufactures, on the 31st of January, 1828, made a report in detail, containing the examinations made by the Committee, of persons under oath, and accompanied by "a bill in alteration of the several acts imposing duties on imports." The bill was twice read, and committed.

On the 3d of March, the bill was taken up for consideration.

Mr. Mallary commenced the discussion of the bill, and finished his speech the next day.

This bill, instead of being confined to a single branch of manufactures, as was the "woolens bill" of the preceding year, proposed a general revision of the tariff. As the principal provisions of the bill, as finally passed, will be hereafter stated, we will here only give the duties proposed by the bill

as reported on wool and woolens, showing the difference between the duties proposed in the two bills of 1827 and 1828, respectively.

On wool unmanufactured, 7 cents a pound, and in addition 40 per cent. *ad valorem*, with a yearly increase of 5 per cent. until the duty should reach 50 per cent.

On manufactures wholly or partly of wool, (except blankets, worsted stuff goods, bombazines, hosiery, mits, gloves, caps, and bindings,) the actual value of which, at the place whence imported, should not exceed 50 cents the square yard, was to be charged a duty of 16 cents per square yard.

On the same costing over 50 cents, and not exceeding $1 the square yard, a duty of 40 cents.

On the same costing over $1, and not exceeding $2 50 the square yard, a duty of $1.

On the same costing over $2 50, and not exceeding $4 the square yard—which were to be deemed to have cost $4 the square yard—a duty of 40 per cent. *ad valorem.*

On the same costing over $4, a duty of 45 per cent. *ad valorem.*

Mr. Mallary said it was already known, that he did not concur with a majority of the Committee on Manufactures in several of the important provisions of the bill. The report was not from his pen; the credit was due to the honorable gentleman from New York, [Mr. Wright.]

Manufacturers, Mr. M. said, are accused of being governed by sordid and selfish views—hostile to all other classes of the people—a body of iron handed monopolists. From whom do these accusations come? The severest are from a few seaboard merchants and foreign agents. A numerous body of American merchants are among the warmest and ablest advocates of the American policy. In a country like this, where all can engage in what employment they choose—a country of such extent, every where affording favorable positions—there can never be a monopoly by a body of manufacturers, any more than by farmers and mechanics. The tendency of protecting manufactures is to prevent a most powerful and dangerous monopoly—a resistless moneyed aristocracy. I mean, distinctly, the mercantile interest on the sea-board. If the nation was composed of farmers and merchants only, what would be the consequence? The sea-board would be the place of exchange for domestic and foreign productions. This would be effected at a few points favored by

nature. The farming interest must bear all charges and expenses of transportation of its productions—heavy, bulky; while the merchant would secure to himself his reward, whatever might be the sacrifices and losses of the farmer. On the sea board, all the moneyed capital of the nation would concentrate; and the interior would be dependent, in debt, and in bondage. I am not insensible to the importance of foreign commerce. But that alone never did, never can, make a nation of extensive territory prosperous. Large cities have sprung into existence by trade. And nations or states possessing small domain, like Venice and Genoa, may have become rich and powerful by trade.

In a memorial from Charleston, S. C., said Mr. M., a rule is laid down, that, "if a nation will not buy, it can not sell." It would seem to follow, that, if a people cannot sell, they can not buy. Now, sir, apply this rule to six or seven millions of the people of this Union. What is the condition of the agricultural States not engaged in raising cotton, rice, and tobacco? The whole amount exported from the United States to Great Britain in 1826, was about $20,400,000. Of this, $19,039,000 was in cotton, rice, and tobacco; leaving $1,361,000 from those parts of the United States where these three great articles are not produced. We exported, in all, to France, $9,130,000; in cotton alone, $8,170,000; leaving $1,130,000 of every thing else. Now, if we can not sell, we can not buy.

But it is said, Northern navigation enjoys a benefit equal to $5,000,000 a year in the transportation of Southern productions. This confers but a trifling benefit on the interior. It is valuable to those concerned; and I would not expose it to the least danger. It will not be in jeopardy.

It is said, too, that we injure the market for the great staples of the South. England may retaliate. Why? It appears that, in the direct trade, we take from her five or six millions more than she takes from us. And three-fourths of what she does take is raw material—cotton; without which, she could scarcely exist. She takes it from us, because the world besides does not and can not supply her wants.

In 1825, England manufactured to the value of $266,000,000, and exported $133,000,000. In 1827, the manufacture of cotton fabrics will not fall short of $300,000,000. In that year she used 851,000 bales; 631,000 from the United States; 220,000 from all the rest of the world. To suppose that England would attempt to punish us for a tariff that might ex-

clude five or six millions of her manufactures, by excluding three-fourths of the whole quantity of the cotton she uses, would be strange indeed.

What is her policy as to wool? This is an article produced by her own people, upon which a multitude of her farmers depend. They produce annually 144,000,000 lbs. She uses 160,000,000 lbs., and exports only $27,000,000 of the fabric. Yet she has reduced the duty on wool to a mere nominal amount. Why? To aid manufactures; to enable her subjects to rival all other nations. To refuse to take our cotton, then, would be a singular contradiction of her whole policy. If, to aid an export of $27,000,000 of woolen fabrics, she will suffer the wool of other nations to come into her own market, would she exclude a raw material she can not produce, when her exports of a fabric amount to $150,000,000?

I maintain that the interests of the cotton growing States are doubly secured by promoting the manufacture in the United States. The more rival nations in the manufacture, the better. England now takes the lead. France is advancing. Switzerland and Germany are improving in the manufacture. The United States, having enterprise and skill, are following rapidly on. Mutual competition will compel all to produce the fabric at the lowest possible price. Any attempt, therefore, to exclude the raw material, or to charge it with duties which would materially enhance its price, would be an act of suicide. In case of war, also, the advantage of a domestic market must be apparent.

If we can not sell, we can not buy. Apply this to the intercourse between the North and the South. What agricultural productions of the North are required by the South? None. We of the North want cotton, rice, tobacco, and sugar. What have we to offer in exchange? Nothing that is derived from the soil. Should manufactures be suspended, the exchange of 20 millions' worth of commodities must be suspended also.

It is urged, that all the duties on imports are taxes on consumers. This is true only as to those articles which we procure exclusively from abroad. It is said that we consume $72,000,000 of woolens annually, and that, on this amount, the consumers pay $41,000,000 in duties and merchants' profits, which operates as a bounty to the domestic manufacturer. Let us see. $72,000,000 worth are used; $10,000,000 are imported; $22,000,000, at most, are produced by manufacturing establishments in the United States; 40,-

000,000 are the result of household industry. How is the latter amount produced? By farmers who raise their own raw material; by the labor of their families; by the mechanic in the country, who receives in compensation for his labor the products of the farm. In short, the $40,000,000 are produced by means that would hardly be worth a sixpence in a foreign country. Yet the mass of our people who furnish their own supply are said to pay a tax of 57 per cent! Such are some of the arguments addressed to the farmers, to excite their hostility to the manufacturers.

But, "if we do not buy, we can not sell," we are told. Wool, for instance, is one of the great staples of a portion of the United States. Suppose we were dependent on England for our clothing, and we depended on the produce of our flocks for payment. I have the most authentic evidence in my possession of the benefits of the English market to the American wool grower. An American farmer sold to the American manufacturer a part of his wool for 50 cents a pound. The remainder of the same quality he sent to England to be manufactured, and to be allowed the value of the wool. The return was 23¾ cents, for such as the American manufacturer had paid 50 for! Suppose wool in Vermont is worth 50 cents; in England, 23¾; and suppose that the fabric was admitted duty free, and without charges except the merchants', estimated at 19 per cent.; and these must be paid for the good of the nation; what would be the result? 26 pounds of wool would buy a coat in England; 12 pounds in the United States, of the domestic manufacturer.

But, it is still urged, duties are taxes on the consumer. We will see how this operates on other articles of domestic manufacture. It is supposed that we produce cotton fabrics to the value of $50,000,000. A great proportion is valued at 16 cents and under, the square yard. The duties and charges would be about 10 cents.* Remove the protection, and according to the rule that the duty is so much tax on the consumer, we should be furnished with the fabric at 4 cents the running yard. The absurdity is apparent. Take a fabric valued at 9 cents the square yard: the duties and charges

* So high a duty results from the fact, which the reader will remember, that all cottons costing at the place whence imported, less than 25 cents, must be deemed to have cost 25 cents, and charged with the prescribed *ad valorem* duty; which, with the attendant charges, would amount to about 10 cents.

would be about the same as I have stated. According to the rule, this fabric could be afforded for nothing! Take nails; the duty is 5 cents; the average price in market may be 7 cents. The consumer, by the rule laid down, should have them for 2 cents per pound. The duty on cheese is 9 cents per pound; the average value in market not over 7 cents. According to the rule, the consumer is entitled to 2 cents for every pound he eats.

Mr. M. next examined some of the principal details of the bill. On the subject of wool and woolens, he differed with the majority of the Committee. He thought the proposed duty on wool too high. His argument, in substance, may be briefly stated thus: The farmer must have a market for his wool. Where is it to be had? In England? No. In France? No. In Germany? No. By evidence taken before the Committee it appeared, that the foreign manufacturer obtained the raw material at a far less price than the American. As the farmer, then, is dependent on the home market for the sale of his wool, the domestic manufacture must be encouraged. But if the price of wool is raised by an excessive duty, he can not compete with the foreign manufacturer, who, by buying the raw material cheaper, is enabled to monopolize the market in this country. Such duty, therefore, instead of benefiting the wool producer, would have a contrary effect.

Mr. M. was opposed to any additional duty on wool costing over 8 cents per pound, for the reason that such wool was not raised in this country. The manufacture of it, he said, is established. The fabric which we formerly imported is now produced at home. But the raw material we do not produce. The evidence before the Committee proves that the lowest priced wool of native growth, is worth from 20 to 25 cents. Farmers, therefore, will not grow wool worth 10 or 12 cents, when they can as well produce that which is worth 40 or 50 cents. From this coarse wool the coarsest fabrics are produced: negro cloths, inferior baizes, and flannels—used by the poorer classes, who have of late been the subject of great commiseration and sympathy. Besides, relying on the provisions of the tariff of 1824, establishments have been erected for the express purpose of using this kind of raw material. The American manufacturer of this fabric must be sacrificed if the proposed duty be imposed.

Mr. M. proceeded with his examination of the bill in detail, and endeavored to show, by example, the bad effects of the

adoption of some of its provisions. At the close of his speech, he moved a substitute for that part of the bill which related to wool and woolens. He proposed to leave the coarse imported wool subject to the duty imposed by the act of 1824, and to impose on wool costing over 8 cents a pound, a duty of 20 cents a pound, to be increased 2½ cents annually, until the duty should amount to 50 cents.

The duty on manufactures of wool he proposed to estimate on the same minimums as in the "woolens bill," reported by himself the year preceding, except that of 40 cents, for which he substituted 50 cents; and for the duty of 33⅓ per cent. *ad valorem*, he now proposed 40 per cent., with an increase of 5 per cent. annually until the duty should be 50 per cent.

Mr. Stevenson, of Pa., a member of the Committee on Manufactures, also examined and explained the bill. The Committee were convinced, that the worst principle of the tariff of 1824, was, that it imposed only a part of the duty on woolens on the 30th of June, 1824, and held out a premium to importation from that time to the 30th of June, 1825, when an additional duty of 3½ per cent. was to take effect. The consequence was, that instead of the usual average supply of 8½ millions, there were upwards of 12 millions of woolens imported in 1825. This produced, mainly, the great depression of 1826, and the destruction of some factories, and great losses to others, but from which they are now recovering, as the importations are again reduced to about 8 millions, exclusive of carpetings. The Committee therefore endeavored to avoid the error of progressive duties.

The coarse imported wool costing not over 10 cents a pound, was, by the act of 1824, subject to a duty of only 15 per cent. The reason for increasing the duty on this kind of wool, was, that it came in very dirty. It was in proof that, when cleansed, it loses nearly one-half; he would estimate the loss at only 40 per cent.; and as the average cost of it was 8 cents a pound, its value, when washed, would, with the expense of washing, be at least 14 cents. This brought it into competition with the coarsest of American wool. To prevent the evasion of the present duty by importing good but dirty wool, and to protect the domestic wool grower, a direct or specific duty was proposed on every pound.

Mr. Anderson, of Maine, believed the tariff of 1824, if its provisions were fairly carried into effect, would give to the manufacturing interests of the country all the protection they ought at this time to receive. Representing a shipping dis-

trict whose trade was chiefly with the West Indies, he was opposed to the increase of the duty on hemp, duck and other articles used in fitting out and navigating vessels, and upon the spirits, and molasses imported from the West India islands. The State of Maine was extensively engaged in this trade. The exports to these islands consisted chiefly of the productions of the forest and the fisheries. The timber in the forest was of little value. Nearly the whole of its eventual value was produced by its manufacture and transportation to its proper and only market. The lumber business, he said, gave employment to $4,000,000 capital, 14,000 men, and 10,000 yoke of oxen. Of equal or greater importance was the fishing interest. These being products of great bulk and burden, they required a large amount of shipping for their transportation. Molasses was the principal article to be had in exchange for lumber and fish: cash could not be procured for them.

It may here be remarked, that, with respect to the duty on malasses and several other articles, as well as on wool and woolens, the friends of protection were divided. The existing duty on molasses was 5 cents a gallon; the bill proposed 10 cents. The reasons assigned for the increase were, 1. The present duty was disproportionate to that on sugar; a gallon of molasses being equal, as a sweetening matter, to 8 pounds of sugar, on which was paid a duty of 24 cents. 2. Much of the article being used for distillation, it came into competition with the grain of the farmer, for whose protection the increase was necessary. The increase was opposed, because, 1. It was an article of general use among all classes of the people, and of which this country could not furnish a supply. 2. It would injure our trade with the West Indies. This was said to be the only fair and reciprocal foreign trade of much importance enjoyed by our citizens.

Another ground of opposition to the proposed increase of duty on molasses, was, that it would be likely to exclude the poorer qualities, which were fit only for distillation, and, consequently, to advance the price, in the West India market, of the better qualities. Both were sold together; and the better article could not be bought alone without paying a price which would compensate the seller for his loss on the poorer.

Mr. Claiborne, of Va., was decidedly opposed to the principles of the bill, and more so to the amendment offered by the

gentleman from Vermont. Some gentlemen suppose that we, who are opposed to this bill, are opposed to all tariffs; but it is not so. What intelligent citizen is opposed to a moderate, judicious, and constitutional tariff? None. The framers of the Constitution threw around the grant of power to impose taxes, wise and salutary restrictions. They provided that the General Government might impose such duties on imported articles as would be sufficient to sustain the Government, pay the public debts, and defend the country. Demonstrate that additional duties on woolens, &c., &c., are necessary for these purposes, and I will support the general system; but this is not pretended. Sir, by the Constitution, you can impose duties only for revenue. Mr. C. argued this question at some length; and then discussed the tariff question, and strongly opposed the bill.

Mr. Wright, of N. Y., who had drafted the report which accompaned the bill, spoke at great length in support of the bill He examined it in detail, and defended its several provisions against the objections of its opponents, adducing, in the course of his speech, the testimony of the witnesses who had been examined by the Committee. In some of the positions of the Chairman of the Committee, [Mr. Mallary,] he expressed his concurrence.

The first position of his speech, said Mr. W., which I shall notice, is, that duties on imports, imposed with a view of protection, do not operate as taxes upon consumers. To this I fully consent; and I had supposed that it was conceded by all the friends of the protecting system. His arguments to prove its correctness are certainly sound if his data are correct. To his reasons I can add nothing. They seem to me perfectly conclusive. To another proposition of the honorable Chairman I give my assent. It is, that the whole market for raw wool in this country must be to our own manufacturers. This is undeniably true. It must be idle for our farmers to expect to export wool, when it is now 65 per cent. cheaper abroad than it is here. Their only market must be at home. This market our manufacturers do and must control; and they must always regulate it by the price they can get for their cloths.

Another position of the honorable Chairman was, that a supply of coarse wool is not produced in this country. To the correctness of this proposition, I entirely dissent. His amendment proposes, that all wool costing in a foreign country 8 cents per pound, or under, shall pay the present duty of

15 per cent. *ad valorem* only, and imposes a specific duty of 20 cents upon all wool costing more than 8 cents. The proposed duty of 15 per cent. on the coarse wools can not check their importation. The importation of these qualities he would encourage, because the same qualities are not produced in this country. I believe the United States now produce sufficient quantities of coarse wool for every demand of the present manufactories. But suppose the qualities of coarse wools imported are not and will not be produced in this country. Is it sound policy to import them free of duty? I must first answer another question before I can yield my assent to this policy. Does this country now produce wool of any quality sufficient to give full employment to its manufacturing capital? If I can answer this question affirmatively, then I should answer the other negatively; for I have already said, that it is not for the interest of this country to import a foreign material for the use of her manufactories, when a full supply of the same material of domestic production may be obtained. [Mr. W. here referred to evidence given before the Committee on Manufactures, from which, and from other facts and estimates as to the number of sheep in the country, the great stock of wool on hand, the quantity of cloth manufactured, &c., he concluded that enough was produced for the present demand; and no one doubted the ability to extend the growing of wool even more rapidly than the manufactories can be increased by the present capital seeking that investment.]

But, said Mr. W., notwithstanding these evidences that the United States do produce a full supply of domestic wool, large quantities of foreign wool are annually imported. And one evidence that those importations conflict with the domestic wool, is furnished by the fact, that little or no coarse common domestic wool is purchased by the factories on the sea board, where coarse imported wools are readily obtained. This wool also conflicts with the domestic by supplying the same market which the domestic wool ought to supply. Another reason for changing and increasing the coarse imported wools, is the opinion, that many of these importations are made in evasion of the spirit of existing laws; and that, by this means, wool is imported invoiced at 10 cents which conflicts with wool of a superior quality. Some of it is not cleansed at all; but on being cleansed and assorted, a large share of it would be found fit for the manufacture of middling quality cloths. Since 1824, the importation of coarse wool has increased, and that of finer wools has decreased.

Mr. Wright presented several statements in tabular form in illustration of the practical operation and the effects of the bill and proposed amendment.

As to the alleged frauds in the importation of those coarse wools, the honorable Chairman has given all the answer which he could have given; that, if these wools are imported in a foul state to disguise their quality, they will necessarily lose in cleansing, and that loss must operate to increase the duty upon the cleansed wool. This is true, practically, to some extent, but not to the extent which the gentleman seems to suppose. But, suppose it to have been true up to this time; what effect has it upon the subject now before the Committee? We are now to reason, not upon the existing law, but upon the effect of the law we are about to pass. Let us then see what will be the inducements to these frauds, if the proposed amendment is adopted. One pound of wool worth in a foreign market 16 cents, will, by that amendment, pay 20 cents duty. Mix with that pound of wool one pound of dirt, making two pounds in weight, and worth eight cents per pound; and what duty will it then pay? The two pounds will still be worth only 16 cents, and will by that amendment, only be charged with a duty of 15 per cent., equal to 2 $\frac{44}{100}$ cents, upon the 2 pounds of wool and dirt. Here, then, you will have the same pound of wool imported, and consequently conflicting with a pound of the quality of our own wool, while, by this simple fraud, 17 $\frac{36}{100}$ cents are saved upon the duty it should pay—an amount greater than the cost of the pound of wool itself in the foreign market; and the same wool would pay a duty of 2 $\frac{44}{100}$ instead of 20 cents. Does, then, the bill reported by the Committee furnish an effectual check to these frauds? That bill proposes a duty of 7 cents, specifically, upon every pound of wool imported, and a further duty upon all wool of 40 per cent. *ad valoreu.* The duty, at that rate, upon one pound of wool worth 16 cents in the foreign market, would be about 14 cents; and any attempt to disguise its quality by means which should add to its weight, would only increase the duty by 7 cents upon every pound weight added. This view of the case must convince even the honorable Chairman himself, that this provision of the bill is to be preferred, and that his amendment only proclaims a bounty upon frauds in the importation of coarse wools.

Mr. W. defended the minimums reported by the Committee; particularly the dollar minimum, which embraced all cloths

between 50 cents and $1. This was intended to make the duty light upon the cloths worn by the common laboring classes at the North. Adopt the amendment, said Mr. W., exclude those cloths, as I have shown this will do, and I ask, where is the minimum which will check attempts at monopoly pnd extortion? What guard will our own citizens have against the monopoly of our own manufacturers? They will have none, sir; and the cloths worn by them are those which you ought to touch lightly, if at all. After you get beyond $2 50, it matters little what duty you impose. The article then becomes a luxury, and the duty falls upon those able to bear it, if it shall operate, as is here contended, to raise the price; and if the funds of the purchaser are not equal to the advanced price, he has only to drop down to the lower minimum, and purchase cloth of a little coarser quality. What, then, is the character of the bill? Its policy is to reduce the duty to the lowest practicable point upon the coarse and common cloths, and to increase it ratably upon the fine. Hence the duty is depressed as low as possible upon the 50 cents minimum, and not quite so rigidly depressed upon that between 50 cents and $1, while, upon the finer qualities, it is much increased beyond either. I believe monopoly upon the cloths the poor are compelled to purchase, should be guarded against. But the bill furnishes, in its present shape, all the protection which the manufacturer needs, upon every description of cloth embraced in it, the raw material remaining as at present.

As to the duty proposed upon wool operating to increase the price, what does the bill do? It does all that can be done. It puts the wool market into the hands of the manufacturer, and he must control it. Will he then raise the price of the wool, unless the price of cloths is raised also? Will he give more for wool than the prices of his cloths will warrant? I know, sir, I shall be asked, why, then propose to increase the duty on wool? I do not expect to raise the price of the article by doing so, unless the effect of the bill should be to raise the price of cloths so as to warrant it. But I do expect it will extend the demand for domestic wool; that it will give this the place of the foreign wool. The farmer must go to the manufacturer for a market. I would make this obligation reciprocal. I would compel the manufacturer to go to the farmer for his supply of wool. Then the regulation of the price would be reciprocal between them But now the manufacturer has a double advantage. He can

choose between the foreign and the domestic wool, while much of the foreign is introduced nearly free of duty. In relation further, to this argument, that the increase of duty upon wool will increase the price, has that been the effect of the increase of duty imposed by the tariff of 1824? Has not the price of wool been constantly and rapidly diminishing since the passage of that law? It has, sir. Nor was this reduction of price occasioned by the duty; but it has been checked by it. Repeal the duty; and would wool rise in price? No, sir; not while wool abroad remains so low; nor while cloths remain at their present prices. Give the manufacturer the protection he needs, as against the foreigner, and then he will regulate the wool market as his business will warrant. Whence, then, is this alarm on the subject of an increased duty on wool? I do not see the cause of it. The experience of the past does not warrant it; nor do I believe the evils predicted will be at all realized.

Mr. Woodcock, of N. Y., said he regretted that his colleague, [Mr. Wright,] in reading from the testimony, had not turned his attention to the only material part of the evidence which applied to that subject, in attempting to prove that the bill, as reported, gave as much protection to the manufacturer as he asked; and that only a corresponding duty was proposed to be given to the raw material. He regretted that his colleague and himself, having the same object in view—a tariff which will enable the manufacturer to come into market with his goods in competition with the importer, and give to the wool grower a market for his wool, and to the agriculturist a market for his surplus produce—should, from the testimony, have arrived at different conclusions. He believed that the bill would give no further aid to the manufacturer, and that its promised aid to the wool grower was illusive, and would not be realized. [Mr. W. here read the material part of the testimony which went to show the necessity of an increase of duty on woolens, to raise the price of wool, and which his colleague had not read.]

Mr. M. said he was convinced that the low price, and the constant depreciation of that price, of the domestic wool, was not produced by the importation of foreign wool, but by the importation of foreign woolens. This fact is proved by every witness. They say the manufacturer can not afford to pay a higher price for wool than he now does; and what is the cause? They all swear, that the low price of foreign cloths

will not permit them. The people would ask, whence came this bill? Why did it attempt to support a principle that is contradicted by every witness? His colleague admitted that the proposed duty on wool would not raise the price of domestic wool. Why then was the duty proposed? The witnesses tell us it would ruin the manufacturer, unless corresponding duties were laid on imported cloths.

His colleague had said that the farmers can raise wool enough to supply all demands, and had gone much into detail as to the number of sheep in the country, and their probable increase. But the difficulty would be in persuading the farmers to grow wool to an extent beyond what was required in their own families, if there was no market for their surplus wool. It is no object to the farmer to raise sheep, unless he can sell his wool at a fair price. If the manufacturer can not buy, who will buy? and why is this prospect of gain held out to the farmer? His colleague had attempted to show that it would be for the interest of the farmer to raise coarse wool as a substitute for the imported coarse wool from which the coarse woolens, blankets, and negro cloths are manufactured. Mr. W. went into a calculation to show that it could not be raised without loss to the farmer.

Foreign coarse wool costs from 8 to 10 cents the pound, in its unclean state. In cleaning it will waste nearly 50 per cent.; so that the actual cost to the manufacturer is 12 to 15 cents. The manufacturer is now paying the farmer for wool from the native breed of sheep, from 18 to 25 cents. This wool wastes, in cleaning, about 33 per cent.; making the actual price paid the farmer for cleansed native wool, 24 to 33 cents the pound, to be made into cloth which is made from foreign coarse wool in a cleansed state which now costs from 12 to 15 cents the pound. What profit, then, would the farmer make? They tell us the keeping of sheep in the North costs from 100 to 125 cents a year per head; in the West, where winters are less severe, from 75 to 100 cents. Take the average price at $1, and allow to each sheep 2½ pounds of wool, which, in cleansing, would be reduced to 2 pounds from each sheep, which the farmer, to supply the manufacturer in the place of foreign wool, must sell at 15 cents a pound, which would be but 30 cents—a loss on each native sheep of 70 cents a year. While his colleague, by a duty which amounts to prohibition on coarse foreign wool, would induce his constituents to increase their flocks in the

native breed, he should recommend to wool growers to improve their flocks, and grow the best Merino and Saxon wools, which will bring the greatest price; and while his colleague would reduce the duty on coarse woolens, and give the British manufacturers a monopoly in our market, he would increase the duty, and, by increasing it, raise the price of wool, and protect and reward national industry.

Mr. W. trusted he had shown that the duty proposed on wool was illusive, and would never be realized, unless a corresponding duty is imposed on foreign fabrics, which the bill did not contemplate, as he should now proceed to show. The bill, he said, proposed a duty on cloth costing not over 50 cents a square yard, of 16 cents (about 33 per cent.;) and on a square yard costing not over $1, a duty of 40 cents (40 per cent.;) while on wool unmanufactured was to be charged a duty of 7 cents a pound, and 40 per cent. in addition. Assuming the gentleman's estimate to be true, it takes 2 pounds of uncleansed coarse wool to make 1 yard of cloth which would come under the first minimum, costing in England 9 cents per pound,..... 18 cents.

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|---|---|
| Labor and expense of manufacturing,..... | 18 |
| Duty, as proposed by the bill,..... | 16 |
| | 52 |
| The same wool would cost the American manufacturer 12½ cents per pound,..... | 25 |
| The same expense of manufacturing,..... | 18 |
| Add the duty proposed on wool, and which his colleague forgot, 7 cts. per lb. and 40 per cent.,..... | 24 |
| | 67 cents. |

Under the first minimum, therefore, of the coarse cloths, the British manufacturer would be able to undersell the American 15 cents on a square yard. The second minimum, or cloth made in England, which, with the duty added, would cost $1, would, according to Mr. W.'s estimate, cost the American manufacturer $1 08½, thus giving to the British manufacturer a protection of 8½ cents the square yard. The bill, therefore, was in effect a bill further to encourage the importation of foreign woolens; and would place the manufacturer in a less advantageous situation than the law of 1824.

Mr. W. said, if you should go to the large wool grower, he

would tell you, "Protect the manufacturer; enable him to pay me a fair price for my wool." If you should go to the agriculturist, he would show you his granary, and ask you to find a market at home for his surplus produce, and would tell you to encourage the manufacturer; "that, if you would enable him to make cloths, he will take my wheat in return: the British manufacturer will not." Is it not wise then, to encourage these great interests, and render our country independent of foreign workshops and foreign mechanics?

The debate was continued from this time (March 11,) till the 27th, on the amendment of Mr. Mallary. Those who participated in the discussion were Messrs. Davis, and Bates, of Mass., Johns, of Del., Barnard and Storrs, of New York, Burges, of R. I., and Anderson of Pa., in support of the amendment; and Messrs. Ingham and Forward, of Pa., and Hoffman, of N. Y., against the amendment, and in favor of the bill as reported by the Committee. All of these gentlemen were friendly to the manufacturing interest. The principal difference of opinion seems to have been upon the effect of the duty on wool upon the producer and the manufacturer. On the 27th of March, the question was taken on the amendment of Mr. Mallary, which was rejected: Ayes, 78; noes, 102.

Mr. Mallary then offered an amendment, proposing the same *ad valorem* duty as in the bill, but omitting the 7 cents a pound specific duty; and the same duty on woolens, as that proposed in his former amendment.

Mr. Buchanan moved to amend the amendment; the object of which was to strike out the minimums from Mr. Mallary's amendment. Mr. B. spoke in favor of his amendment, and Mr. Wright opposed it, and defended the bill. The amendment was, (March 28,) rejected without a count.

The question being taken on the amendment of Mr. Mallary, that also was decided in the negative: Ayes, 97; noes, 98.

The debate on the bill was now (March 31,) resumed by Mr. Sprague, of Maine, who concluded his speech the next day, on a motion made by himself to strike from the bill the parts which increased the duties on hemp and molasses. The debate was continued until the 4th of April, when the amendment was negatived by a large majority.

The debate was further continued on sundry proposed amendments relating to certain articles of woolens, cotton

bagging, spirits, molasses, &c., some of which were adopted, when, on the 8th of April,

Mr. Mallary moved the amendment he had before offered, with the alteration of inserting "carpets, carpeting," after "blankets," as among the excepted articles of woolens subject to the proposed *ad valorem* duty; which, after a long speech of Mr. Stewart, of Pa., on the subject of protection generally, and against certain provisions of the bill, and a reply from Mr. Wright, of N. Y., in defense of the bill, the motion of Mr. Mallary was negatived: Yeas, 80; nays, 115.

Mr. Mallary, on the 9th, again moved the amendment which he had moved on the 27th of March; to which Mr. Buchanan again moved an amendment avoiding the minimums, and proposing an *ad valorem* duty of 40 per cent., with 5 per cent. additional duty annually until the duty should reach 50 per cent.; goods not exceeding 33½ cents a square yard, except flannels and baizes, which were to be charged 30 per cent., with like annual addition until the duty should reach 40 per cent.

Mr. Mallary, though not in favor of the amendment of Mr. B., yet, considering the bill with that amendment preferable to the bill as reported, and having little hope that his own would carry, accepted Mr. B.'s as a modification of his own.

Mr. Ingham, believing the prospective additional duty to commence after the first year, would induce an excessive importation during the year, moved to strike out the progressive increase.

This amendment was opposed by Messrs. Storrs, of N. Y., Buchanan, Dwight and Bates, of Mass., Burges, of R. I., Whipple, of N. H., and Stewart, of Pa.; and supported by Mr. Ingham; and rejected: Ayes, 80; noes, 121.

On the 10th, a motion by Mr. Davis to recommit the bill to a Committee of the whole House, was the order of the day; to which Mr. Taylor, of N. Y., with a view to confine the discussion to a single point, should the bill be recommitted, moved to instruct the Committee to report as follows:

On all manufactured wool, 40 per cent. until the 30th of June, 1829, with 5 per cent. additional, annually, until the duty shall amount to 50 per cent.

All manufactures of wool, or of which wool is a component material, except blankets, carpets and carpeting, worsted stuff goods, bombazines, hosiery, caps, gloves, mits and bindings, instead of the present duty of 33½ per cent. *ad valorem*, 45 per cent. *ad valorem*, until the 30th of June, 1829, and thereafter 50 per cent. Negatived: Ayes, 78; noes, 111.

Mr. Sutherland, of Pa., moved an amendment, reducing the 7 cents a pound specific duty in the bill as first reported, to 4 cents on unmanufactured wool; and raising the duty on woolen cloths under the 50 cents minimum, from 16 cents, as reported, to 20 cents a yard; and establishing a new minimum of 33⅓ cents, under which 14 cents a square yard was to be charged, except on flannels and baizes. Other provisions as to woolens to remain as in the bill reported.

Mr. Buchanan opposed the amendment as going back to the principle of minimums.

Mr. Wright, of N. Y., again spoke in defense of the bill, as being better for the manufacturers than the amendment of Mallary as modified by Mr. Buchanan. He, [Mr. W.] had adopted the minimum principle, because the manufacturers had testified that no reasonable increase of the *ad valorem* duty would afford them any relief, and that a specific square yard duty would be alone available. The Harrisburg Convention also had stated in their address that it must be adopted; and it had been said in all quarters that it was necessary to prevent frauds and evasions of the duty. He expressed his surprise, that this principle should now be abandoned for the *ad valorem* duty, by the very men who had urged its adoption. The truth should be avowed upon this subject. Said Mr. W., it is the additional duty of 4 cents a pound on raw wool which, in the minds of these gentlemen, curses the protection given by this bill to woolen cloths. Is such to be the decision and determination of this House? Sir, this country does and can produce its wool.

Mr. Mallary replied, denying the conclusions of Mr. Wright, and again stated the reasons why he had accepted Mr. Buchanan's amendment, and why he was opposed to that of Mr. Sutherland.

The motion to strike out the amendment of Mr. Mallary, as modified by Mr. Buchanan, and to insert in lieu thereof, the amendment proposed by Mr. Sutherland, was opposed by Messrs. Bates, of Missouri, Strong, of N. Y., Sterigere, of Pa., and Wright, of Ohio; and further supported by Messrs. Hoffman, of N. Y., and Stevenson, of Pa., and adopted: Yeas, 100; nays, 99. After several unsuccessful attempts to amend Mr. Sutherland's amendment, the question was at length taken on Mr. Mallary's amendment as amended on motion of Mr. Sutherland, and decided in the affirmative: Yeas, 183; nays, 17.

So the great question as to the duty on wool and woolens,

which had occupied so large a share of the time and attention of the House, was at length again disposed of in that body. A few days were spent in settling other details, when, on the 15th, the bill was ordered to a third reading, 109 to 91. It was read the third time, the next day, and the question being on its final passage,

Mr. Randolph addressed the House at length in opposition to it, and moved its indefinite postponement; on which another debate sprung up which continued several days. The motion was supported by Messrs. Bates, of Missouri, Pearce, of R. I., (protectionists,) Cambreleng, of N. Y., Mitchell, M'Duffie, Martin, and Hamilton, of S. C., Alexander, of Va., Turner, of N. C., Thompson, of Ga. The speeches of nearly all of the opponents of protection were of great length, and that of Mr. M'Duffie highly denunciatory. Mr. Alexander discussed the constitutionalty of the tariff system, denying the power of Congress to lay duties except for revenue. The friends of the bill took little or no part in the debate. The question on its final passage was taken on the 22d of April, and decided in the affirmative: Yeas, 105; nays, 94, as follows:

*Maine:* Nays, 7. *New Hampshire:* Yeas, 4; nays, 2. *Massachusetts:* Yeas, 2; nays, 11. *Connecticut:* Yeas, 4.; nays 2. *Rhode Island:* Yea, 1; nay 1. *Vermont:* Yeas, 5. *New York:* Yeas, 27; nays, 6. *New Jersey:* Yeas, 5. *Pennsylvania:* Yeas, 23. *Delaware:* yea, 1. *Maryland:* Yea, 1; nays, 5. *Virginia:* Yeas, 3; nays, 15. *North Carolina:* Nays, 13. *South Carolina:* Nays, 9. *Georgia:* Nays, 7. *Kentucky:* Yeas, 12. *Tennessee:* Nays, 9. *Ohio:* Yeas, 13. *Louisiana:* Nays, 3. *Indiana:* Yeas, 3. *Illinois:* Yea, 1. *Mississippi:* Nay, 1. *Alabama:* Nays, 3. *Missouri:* Nay. 1.

Many of the most ardent friends of the protective system, voted with its opponents against the bill. Maine was unanimous, and Massachusetts nearly so, against it. Some opposed it on account of the high duties on West India goods, others from their objections to its provisions relative to wool and woolens. The two States mentioned, with the planting States, constituted nearly all the opposition; while the agricultural States proper, were nearly unanimous in favor of the bill.

In the Senate, April 24, the bill was referred to the Committee on Manufactures. It was reported to the Senate, April 30, with sundry amendments; and taken up for consideration, May 5.

Among the amendments proposed, were several relating to the duty on woolens. The provision requiring cloth not exceeding 50 cents in value, to be charged with a duty of 20

cents per square yard, was so altered as to require that cloth costing not over 50 cents should be deemed to have cost 50 cents, and be charged with a duty of 40 per cent. *ad valorem*, until the 30th of June, 1829, and thereafter 45 per cent. But the proviso that cloth costing 33⅓ cents, should be charged 14 cents, was retained.

The provision imposing a duty of 40 cents a yard on cloth costing $1 or under, was so altered as to require cloth over 50 cents and not over $1 to be deemed to have cost $1, and to be charged 40 per cent., and after the 30th of June, 45 per cent.

Another minimum was adopted, of $2 50, and one of $4, with the same *ad valorem* duties of 40 per cent., to be increased to 45 per cent. in 1829 ; and all cloths costing over $4, were to be charged 45 per cent. from the beginning, after June 30th, 1828.

The debate on the bill in the Senate closed on the 13th of May. Few of the speeches are reported at length in the "Register of Debates," the Editors [Gales and Seaton] not having, as they say, been able, from circumstances beyond their control, to procure the remarks of all the gentlemen who engaged in the debate. The views of some of the senators on certain provisions of the bill, however, are given.

The high duty of 10 cents a gallon on molasses found Eastern opponents in the Senate as well as in the House.

Mr. Robbins, of R. I., considered it unnecessary, inexpedient, and oppressive, an odious tax upon a necessary article.

Mr. Dickerson, of N. J., argued that it would lead to the production of the article in this country.

Mr. Benton, of Missouri, advocated the duty on molasses as indirect encouragement of the landed or farming interest. It would enable the distillers of the Western country, who used grains to compete with those in the Eastern States, who distilled from molasses.

Mr. Parris, of Maine, regarded it as far more injurious to Maine, than it could be beneficial to Missouri. He gave some details in relation to the trade carried on by his State with the West India Islands, and contended that this duty would act as a death blow to that trade.

Mr. Johnson, of Ky., defended the measure as extending to the West its share of the protection. He thought Maine would not suffer, as her tunnage would be employed in carrying the molasses of Louisiana, instead of that of the West Indies.

The motion to strike out 10 cents, with a view to insert 7½ cents, was lost.

Mr. Kane, of Ill., proposed a duty on lead, of 3 cents a pound; on leaden shot, 4 cents; on red and white lead, 5 cents. Lead is a production of that State. It was supported by himself and Messrs. Benton, Dickerson, and Johnson, of Louisiana.

Mr. Rowan, of Ky., also opposed it. He was opposed to the whole system. The tariff was a system of bounties for the encouragement of certain classes of industry. It impoverished one class of laborers to enrich another; increased the poverty of those already poor, to enhance the wealth of those already rich. He was not opposed to the tariff as a system of revenue, honestly devoted to that object. But when perverted by the ambition of political aspirants, and the secret influence of inordinate cupidity, to purposes of individual and sectional ascendancy, he could not be seduced by the captivation of names or terms, however attractive, to lend it his support. He was, he said, one of the organs of a State that had, by the tariff of 1824, been chained to the car of the Eastern manufacturers; and seeing no hope of escaping from the ills of the system, she is constrained, on principles of self-defense, to avail herself of the mitigation which this bill presents, in the duties which it imposes on hemp, spirits, iron and molasses. The hemp, iron, and distilled spirits of the West, will, like the woolens of the Eastern States, be encouraged to the extent of the tax indirectly imposed by this bill upon those who shall buy and consume them. Those who may need and buy those articles, must pay to the grower or manufacturer of them, an increased price to the amount of the duties imposed upon the like articles of foreign growth or fabric. To this tax upon the labor of the consumer, his individual opinion was opposed. But as the organ of the State of Kentucky, he felt himself bound to surrender his individual opinion, and express the opinion of his State.

Mr. R. said he must, therefore, as the humble organ of the people of his State, vote for this bill; and would, on the same principle, vote for this duty on lead, if he could do it without disparaging his Government. The mines of lead, with the exception of a few Spanish grants, which he had been told were nearly exhausted, belonged to the United States. To suppose that the Government to whose strength we all look for protection is so weak as to need protection against foreign

competition in the manufacture and sale of this vulgar metal, was not very respectful to the Government. He might be told that the Government leases its mines, and that the lessees, and not the Government, would be benefited by the duty. His reply was, that when you raise the price of lead, you raise rents. The competition between the lessees would necessarily produce this result; and thus, while the consumers of this necessary article would be taxed, the manufacturer of it would not be benefited. The tax would go to the Government, and not to them. He had not attempted to depict the evils which had been inflicted upon the Western and Southern States by this new system—a system peculiar to aristocrats and monarchists—kinds of Government to which it naturally led, and to the support of which it was as natural and necessary, as it was alien from and abhorred by republics.

The amendment proposing the duty on lead was adopted.

Mr. Parris, of Maine, on a subsequent day, again deprecated the effect of the bill upon the trade of the country. There are, he said, various items in it calculated to produce these effects. Such is the increased duty on molasses, bearing on the West India trade. Such is the increased duty on hemp and iron, bearing on the trade in the Baltic. If we would sell, we must buy; if we would export, we must import; and if, by increased duties or otherwise, we diminish imports, we thereby diminish exports. The effect of the increased duty on molasses will be to diminish its importation, and to make way for the molasses of the Southern, and the whisky of the Middle and Western States. Who then will buy our lumber and our fish, and the various commodities which we now exchange for that article? The Islanders will not, unless we take their molasses in payment.

Mr. P. spoke of the extent of the trade with those Islands. From Cuba alone, we had imported molasses, coffee, and sugar, in one year, to the value of more than $3,000,000. During the same period, we shipped to Cuba our own produce, our lumber, fish, oil, naval stores, beef, pork, flour, rice, &c., to the value of upwards of $3,700,000. We also supplied them with articles from England, France, Russia, South America, and other places, received in exchange for our produce, valued here at upwards of $2,382,000. The amount of American tunnage employed in this trade exceeds 122,000 tuns. We import from Russia to the amount of $2,600,000 annually, as valued at her ports, principally in iron and hemp,

and the manufactures of hemp and flax; and we pay for them principally in the coffee, the sugar, and the commodities which we import from the West Indies: so that the iron, the hemp, and the duck which we import from Russia, is the ultimate product of the labor of our lumbermen, fishermen, and sailors.

Sir, said Mr. P., this bill will bear with severity upon the shipping interest of the State with which I am officially connected. She owns 174,000 tuns of shipping. Every hundred tuns of vessel require four tuns of hemp, and something exceeding that quantity of iron. To construct the amount of tunnage owned in Maine, would therefore require nearly 7,000 tuns of hemp, and the like quantity of iron. The bare duties as contemplated by this bill, that must be paid into the Treasury upon this quantity of hemp, would amount to $419,280; and upon iron, to $157,230. About one-tenth of the tunnage of the country is annually lost by decay or marine casualties. To construct this new supply in the State of Maine, requires 700 tuns of iron, the duties on which, by this bill, would be $15,750. The manufactures of hemp that are put upon a ship, must be replaced once in four years, in consequence of decay and losses at sea. This requires 1,747 tuns of hemp annually, the duties on which would be $104,820, making an aggregate of $120,570 tax on the ship owners of Maine on these two articles.

The origin of this great system has been repeatedly charged upon the Eastern or New England States; and as New England projected the measure and got up the excitement, she must pay for it; the bill must be so modified as to bear adversely upon her interests, and be carried at her expense. I deny that we are answerable for its origin or its progress. When this doctrine of protection was first advanced, in no part of the Union did it find more zealous advocates than in Pennsylvania and New Jersey. I call the attention of the Senate, particularly the Senators from Pennsylvania, to what has been done in that State. Who originated the Convention at Harrisburg, to which this measure is to be directly traced, and which has, in the course of this debate, been eulogized as "the most enlightened body that were ever assembled in this country?" It was the "Pennsylvania Society for the promotion of Manufactures and the Mechanic Arts." I will not mention names, but will merely point the attention of gentlemen to a single individual in Philadelphia,* who has been laboring with ability on this

* Matthew Carey, probably.

subject for years, and who has done more with his pen to promote what is called the "American System," than has been done by any individual or association in either or all of the Eastern States. Proceeding further South, to Maryland, and what has been done there? The pen and the press in the hands of an able and distinguished Editor* in the city of Baltimore, have probably accomplished more than in all the other cities in the Union. These men may well be called the fathers of the system.

Mr. Dickerson, of N. J., said he did not deny the people of Maine the merit of great enterprise and industry; but their commercial prosperity had chiefly arisen out of the discriminations in favor of American tunnage, and the protection to the fisheries. The gentleman's calculations as to iron were not correct. The duty on foreign iron had obliged the importer to reduce the price of his iron, or to be driven out of the market by the domestic manufacturer.

Mr. Smith, of Md., said the prosperity of the ship owners of Maine did not arise from discriminating duties. The merchants themselves, when they found they could do without it, came forward and said they could dispense with the discrimination. They knew that, with any thing like equality, they could compete with any nation. But, he said, the fisheries also had contributed to this prosperity. The bounty is not any advantage to the fishermen; its operation is upon the consumption of salt; and when the duty upon that article has been taken off, the bounty has been removed also. It is said that duty reduces the price of iron; but it is erroneous. Other causes have operated. The railroads in England, and water instead of land carriage in Denmark, Sweden, and Norway; these are the causes of the fall in the price of iron, and not the moderation of the domestic manufacturer.

Mr. Parris considered that our commercial prosperity grew up from the wars in Europe, and the advantage enjoyed by us in the carrying trade. But the very first step taken after peace was to open our ports to all nations on their reciprocating the privilege. England, France, and other countries, accepted these terms. I do not complain of this, because we can compete with any country on fair and equal terms. But I do complain, that, at that very time, the tax on iron was brought up to $18 a tun, and that on hemp to $35. Thus, while we were exposed to the competition of other countries,

* Hezekiah Niles.

by the repeal of the discriminating duties on tunnage, a burthen was inflicted on our commerce by increasing the price of the articles used in the building of ships.

Mr. Hayne, of S. C., sympathized with the gentleman from Maine in the oppression which the bill threatened to inflict on that State; and the burthens should not be imposed with his consent. I have, said Mr. H., formerly expressed my opinion as to the operation of this system upon the South. I know that it is ruinous, partial, unjust. I agree with the gentleman, that, unless we come back to the sound principles which have been so long abandoned, the harmony, the peace, and the prosperity of the Union are endangered. In every view, this system is one of doubtful character. I ask of any gentleman who now advocates this bill, to turn to the act of 1824, and put his finger on one single item of the bill which has benefited the South. I will further ask you to look at the bill on your table, and show me the item, except molasses, in which the South is now interested. Not a provision holds out a shadow of a benefit to us, whilst, according to the calculation of the gentleman from Pennsylvania, the States interested in the articles to be protected by this bill, would derive advantages from it equal to 4 millions of dollars. From a calculation which I have seen on the subject, I believe that the burthens imposed by the bill on those who were to bear them, did not fall short of that amount.

Mr. Foot, of Conn., moved to amend the bill by striking out the third section, which relates to hemp, flax, duck, cotton bagging, molasses, and distilled spirits. He said that he believed the duty on every article in that section bore very hard upon the commercial interest, and would have a highly injurious effect on the commerce of New England. The charge had been made, that the excitement in relation to this measure had been produced by New England. He was surprised, yesterday, to hear a gentleman from North Carolina propose to give New England a dose of medicine; which, at least, was not over courteous. But a remark had fallen from the gentleman from Missouri, [Mr. Benton,] to which we are not entitled. He says New England originated these tariff bills, and we must not complain. This is not the case. Mr. F. said he was averse to this section of the bill particularly. It laid heavy duties upon articles essential to ship building. On hemp, flax, and duck, the duties were exorbitant; but, of all the duties in all the tariff bills ever passed, he considered the duty on molasses the most offensive. It was an article of necessity that ought not to be taxed.

Having already devoted so much space to the discussion of this bill in the two Houses, it was our purpose to add only the final vote of the Senate upon the bill. But as Mr. Webster's speech on the motion of Mr. Foot throws upon the subject in general much additional light which is deemed necessary to a proper understanding of the question; we copy from the reported speech a few paragraphs:

Mr. Webster said: This subject is surrounded with embarrassments. A diversity of interest exists, or is supposed to exist, in different parts of the country. Different opinions are entertained as to the constitutional power of Congress. And then, again, different members of the Senate have instructions which they feel bound to obey, and which clash with one another. Those who intend to oppose this bill under all circumstances, and in all forms, care not how objectionable it now is, or how bad it may be made. Others, finding their own leading objects secured by it, naturally enough press forward, without staying to consider how injuriously other interests may be affected. All these causes create embarrassments, and inspire just fears that a wise and useful result is hardly to be expected.

I have not had the slightest wish to discuss the measure; not believing that, in the present state of things, any good could be done by me in that way. But the frequent declarations that this was altogether a New England measure, a bill for securing a monopoly to the capitalists of the North, and other expressions of a similar nature, have induced me to say a few words. New England, sir, has not been a leader in this policy. On the contrary, she held back, herself, and tried to hold others back from it, from the adoption of the Constitution to 1824. Up to 1824, she was accused of sinister and selfish designs, because she discountenanced the progress of this policy. It was laid to her charge, then, that having established her manufactures herself, she wished that others should not have the power of rivaling her. Under this angry denunciation against her, the act of 1824 passed. Now the imputation is of an opposite character. The present measure is pronounced to be exclusively for the benefit of New England; to be brought forward by her agency, and designed to gratify the cupidity of her wealthy establishments.

Both charges are equally without foundation. The opinion of New England, up to 1824, was founded upon the conviction, that, on the whole, it was wisest and best, both for

herself and others, that manufactures should "make haste slowly." She felt a reluctance to trust great interests on the foundation of Government patronage; for who could tell how long such patronage would last; with what steadiness, skill, or perseverance, it would continue to be granted?

At the same time it is true, that, from the very first commencement of the Government, those who have administered its concerns have held a tone of encouragement toward those who should embark in manufactures. All the Presidents, I believe, have concurred in this general sentiment; and the very first act of Congress laying duties of impost, adopted the then unusual expedient of a preamble, apparently for little other purpose than that of declaring that the duties which it imposed were imposed for the encouragement and protection of manufactures. When, at the commencement of the late war, dutes were doubled, we were told that we should find a mitigation of the weight of taxation in the new aid and succor which would be thus afforded to our own manufacturing labor. Like arguments were urged, and prevailed, but not by the aid of New England votes, when the tariff was afterwards arranged at the close of the war, in 1816. Finally, after a whole winter's deliberation, the act of 1824 received the sanction of both Houses of Congress, and settled the policy of the country. What, then, was New England to do? Nothing but to conform herself to the will of others. Was she to deny herself the use of her advantages, natural and acquired? Was she longer to resist what she could no longer prevent? As a consequence of the act of 1824, a large increase of investment was made in manufacturing establishments.

As a general remark, it may be said, that the interests concerned in the act of 1824, did not complain of their condition under it, excepting only those connected with the woolen manufactures. These did complain; not so much of the act itself, as of a new state of circumstances, unforeseen when the act was passed, but which had now arisen to thwart its beneficial operations, as to them.

Three causes have been generally stated as having produced the disappointment experienced by the manufacturers of wool, under the law of 1824.

First, it is alleged, that the price of the raw material has been raised too high by the act itself. This point was discussed at the time; and though opinions varied, the result was not entirely foreseen.

But, secondly, the manufacturers imputed their disappointment to a reduction of the price of wool in England which took place just about the date of the law of 1824. The duty was lowered from sixpence sterling to one penny per pound. The effect of this is obvious enough. Great Britain, as is clearly proved, did not reduce the duty on wool, because of our act of 1824, but the effect of the reduction was the same as if it had been intended to operate on our manufactures.

In the last place, it was alleged by the manufacturers, that they suffered from the mode of collecting the duties at the custom-houses. It is alleged, that, in the largest importing city in the Union, a great proportion of the woolen fabrics is imported on foreign accounts. And it is stated, that the invoices of such foreign importers are generally found to be lower than those of the American importer.

Under this state of things, the law contemplated at the last session was proposed. It was confined, as I thought properly, to wool and woolens. It took up the great and leading subject of complaint, and nothing else. The bill now before us is of a very different description. It proposes to raise duties on various other articles besides wool and woolens. It contains some provisions which bear, with unnecessary severity, on the whole community; others which affect, with peculiar hardship, particular interests; while both of them benefit nobody and nothing but the treasury. It contains provisions which, with whatever motive put into it, it is confessed are now kept in for the very purpose of destroying the bill altogether; or, with the intent to compel those who expect to derive benefit, to feel the smart from it also. Probably such a motive of action has not often been avowed.

The wool manufacturers happen to live, principally, at the North and East; and in a bill professing to be for their relief, other provisions are found which are supposed, (and supported because they are supposed,) to be such as will press, with peculiar hardship, on that quarter of the country. Sir, what can be expected but evil when such a temper prevails? How can such a hostile retaliatory legislation be reconciled to common justice or common prudence? Nay, sir, this rule of action seems carried still further. Not only are clauses found and continued in the bill which oppress particular interests, but taxes are laid which will be severely felt by the whole Union; and this, too, with the same design, and for the same end before mentioned, of causing the smart of the

bill to be felt. Of this description is the molasses tax; a tax, in my opinion, absurd and preposterous in relation to any object of protection; needlessly oppressive to the whole community; and benefiting nobody on earth but the treasury. And yet here it is, and here it is kept, under an idea conceived in ignorance, and cherished for a short-lived triumph, that New England will be deterred, by this tax, from protecting her extensive woolen manufactures; or, if not, that the authors of this policy may at least have the pleasure, the high pleasure, of perceiving that she feels the effect of this bill.

Sir, let us look for a moment at this tax. The molasses imported into the United States amount to 13,000,000 gallons annually. Of this quantity, not more than 3,000,000 are distilled; the remaining 10,000,000 being consumed as an article of wholesome food. The proposed tax is not to be laid for revenue. This is not pretended. It was not introduced for the benefit of the sugar planters. They are contented with their present condition, and have applied for nothing. What, then, was the object? The original professed object was to increase, by this new duty on molasses, the consumption of spirits distilled from grain. This, I say, was the object originally professed. But in this point of view, the measure appears to me to be preposterous. It is monstrous, and out of all proportion and relation of means to ends. It proposes to double the duty on the 10,000,000 gallons of molasses which are consumed for food, in order that it may likewise double the duty on the 3,000,000 which are distilled into spirits; and all this for the contingent and doubtful purpose of augmenting the consumption of spirits distilled from grain. I say contingent and doubtful purpose, because I do not believe any such effect will be produced. I do not think a hundred gallons more of spirits distilled from grain will find a market in consequence of this tax on molasses. But suppose some slight effect of that kind should be produced; is it so desirable an object as that it should be sought by such means? Shall we tax food to encourage intemperance? Sir, the bare statement of this question puts it beyond the reach of all argument. No man will seriously undertake the defense of such a tax. It is better, much more candid, certainly to admit, as has been admitted, that obnoxious as it is, and abominable as it is, it is kept in the bill with a special view to its effects on New England votes and New England interests.

The increased duty on molasses, while it needlessly and wantonly enhances the price to the consumer, may affect also the importation of that article, and be thus injurious to commerce. The importation of molasses in exchange for lumber, provisions, and other articles of our own production is one of the largest portions of our West India trade. The exports which sustain it are from the East, the South, and the West —every part of the country having thus an interest in its continuance and extension. A market for these exports, to any of these portions of the country, is of infinitely more importance to it than all the benefit to be expected from the supposed increased consumption of spirits distilled from grain.

Yes, sir, this tax is to be kept in the bill that New England may be made to feel. Gentlemen who hold it to be wholly unconstitutional to lay any tax whatever for the purposes intended by this bill, yet cordially vote for this tax. An honorable gentleman from Maryland [Mr. Smith] calls the whole bill a "bill of abominations." This tax, he agrees, is one of its abominations; yet he votes for it. Both the gentlemen from North Carolina have signified their dissatisfaction with the bill; yet they have both voted to double the tax on molasses. Do gentlemen flatter themselves that this course of policy can answer their purposes? Against New England, depend on it, nothing will be gained by intimidation. If you propose to suffer yourselves, in order that she may suffer also, she will bid you come on—she will meet challenge with challenge—she will invite you to do your worst and your best, and to see who will hold out longest. She has offered you every one of her votes in the Senate to strike out this tax on molasses. You have refused to join her and to strike it out. With the aid of the votes of any one Southern State, for example, of North Carolina, it could have been struck out. But North Carolina has refused her votes for this purpose. She has voted to keep this tax in, and to keep it in at the highest rate. And yet, sir, North Carolina, whatever she may think of it, is fully as much interested in this tax as Massachusetts. This increase of the duty will levy on her citizens a new tax of $56,000 a year, or more, although her Representatives on this floor have so often told us that the people are now poor, and already borne down with taxes.

I advert once more to the subject of wool and woolens, for the purpose of showing, that even in respect to that part of

the bill, the interest mainly protected is not that of the manufacturers. On the contrary, it is that of the wool growers. The wool grower is vastly more benefited than the manufacturer. Just so much, and no more, is done for the manufacturer, as is supposed necessary to enable him to purchase and manufacture the wool. The agriculturist, the farming interest, the interest of the sheep owner, is the great object which the bill is calculated to benefit, and which it will benefit, if the manufactures can be kept alive. A comparison of existing duties with those proposed on the wool and on the cloth, will show how this part of the case stands.

At present a duty of 30 per cent. is laid on all wool costing 10 cents a pound, and upwards; and a duty of 15 per cent. on all wool under that price. The present bill proposes a specific duty of 4 cents per pound, and also an *ad valorem* duty of 50 per cent., on all wool of every description. The result of the combination of these two duties is, that wool fit for making good cloths, and costing from 30 to 40 cents per pound in the foreign market, will pay a duty at least equal to 60 per cent. And wool costing less than 10 cents will pay a duty, on an average, of 100 per cent. Now, sir, these heavy duties are laid for the wool grower. They are designed to give a spring to agriculture, by fostering one of its most important products.

But let us see what is done for the manufacturer to enable him to manufacture the raw material at prices so much enhanced. As the bill passed the House of Representatives, the advance of duties on cloths is supposed to have been not more than 3 per cent. on the minimum points. Amendments here adopted have enhanced this duty, and are understood to have carried it up to 45, or perhaps 50 per cent. Taking it at the highest, the duty on cloth is raised 13 per cent., while that on wool is raised in some instances 30, and in some instances 85 per cent.; that is, in one case from 30 to 60 per cent., and in the other, from 15 to 100 per cent.

Now, the calculation is said to be true which supposes that a duty of 30 per cent. on the raw material, enhances, by 15 per cent., the cost of producing the cloth; the raw material being estimated generally to be equal to half the expense of the fabric. So that, while by this bill the manufacturer gains 13 per cent. on the cloth, he would appear to lose 15 per cent. on the same cloth, by the increase of the price of the wool. And this would not only appear to be true, but would, I suppose, be actually true, were it not that the mar-

ket may be open to the manufacturer, under this bill, for such cloths as may be furnished at prices intermediate between the graduated prices established by the bill.

For example: Few or no foreign cloths, it is supposed, costing more than 50 cents a yard and less than $1, will be imported; therefore American cloths of this quality will find a market. So of the intervals or intermediate spaces between the other statute prices. In this mode, it may be hoped, that the manufacturers may be sustained and rendered able to carry on the work of converting the raw material into an article necessary and fit for use. And this statement, I think, sufficiently shows that no further benefit is intended for them, than such as shall barely enable them to accomplish that purpose; and that the object to which all others have been made to yield, is the advantage of agriculture. And yet a loud and ceaseless cry has been raised against what is called the cupidity, the avarice, the monopolizing spirit of New England manufacturers. This is one of the main "abominations of the bill;" to remedy which, it is proposed to keep in the other abominations.

I am decidedly in favor of a measure which shall uphold and support, in behalf of the manufacturers, the law of 1824, and carry its benefits to the full extent intended. And although I am not altogether satisfied with the particular form of these enactments, I am willing to take them, in the belief that they will answer an essentially important purpose.

Mr. Webster also spoke against what he called an "objectionable and unreasonable augmentation of the duty on hemp;" which, under the act of 1824, was $35 a tun, and was in the present bill put at $45 with a progressive increase to $60. This, he said, would be absolutely oppressive on the shipping interest, the great consumers of the article. He concluded by submitting the following as a substitute for the provision in the bill, relative to hemp:

"That the Navy department be directed to purchase, for the use of the Navy of the United States, American water rotted hemp, when it can be procured of a suitable quality, and at a price not exceeding by more than twenty per cent., the price of the imported article."

Mr. Johnson, of Kentucky, said his constituents would be astonished at this motion, and especially at the quarter from which it comes. It is, said he, a proposition from an avowed and leading advocate of the "American system," as it is so plausibly called, to take off the duty from hemp, cotton bag-

ging, molasses, and foreign distilled spirits. If these articles are exempted from duty, what remaining interest has the West in this long expected tariff? A tariff founded in equity, extending equally its benefits to all parts of the Union, will be favorably received at the West. But a partial system, a sectional system, a mere woolen system, will receive the support of no party there. We would not receive a partial favor, if tendered us at the expense of the East; nor can we sacrifice to that section the dearest interests of the West. Mr. J. spoke at considerable length in support of the claims of the West to protection.

The motion of Mr. Foot to strike out the third section of the bill was decided in the negative: Ayes, 10; noes, 36. All the ayes were from the New England States, and embraced the whole delegation, except Chase, of Vt., and Bell, of N. H.; the former voting in the negative, and the name of the latter not appearing on either side.

The debate continued from this time (May 9th) until the 13th, during which time, many amendments were proposed, and some of them adopted. Among those rejected, was one by Mr. Benton to increase the duty on hemp ten dollars per tun annually, until it should amount to ninety dollars. The question on the passage of the bill was taken, May 13th, and decided in the affirmative, 26 to 21, as follows:

YEAS. *Massachusetts:* Webster. *Connecticut:* Foot, Willey. *Rhode Island:* Knight. *Vermont:* Chase, Seymour. *New York:* Sanford, Van Buren. *New Jersey:* Bateman, Dickerson. *Pennsylvania:* Barnard, Marks. *Delaware:* McLane, Ridgely. *Kentucky:* Johnson, Rowan. *Tennessee:* Eaton. *Ohio:* Harrison, Ruggles. *Louisiana:* Bouligny. *Indiana:* Hendricks, Noble. *Illinois:* Kane, Thomas. *Missouri:* Barton, Benton.

NAYS. *Maine:* Chandler, Parris. *New Hampshire:* Woodbury. *Massachusetts:* Silsbee. *Rhode Island:* Robbins. *Maryland:* Chambers, Smith. *Virginia:* Tazewell, Tyler. *North Carolina:* Branch, Macon. *South Carolina:* Smith, Hayne. *Georgia:* Berrien, Cobb. *Tennessee:* White. *Louisiana:* Johnson. *Mississippi:* Ellis, Williams. *Alabama:* King, M'Kinley.

The bill was sent to the House of Representatives, where the amendments were concurred in; and it became a law.

# CHAPTER X.

**Act for the more effectual collection of duties. Act to reduce duties on tea and coffee. Tariff act of 1832. Clay's resolutions in the Senate relating thereto. M'Duffie's bill in the House. Bill of Committee on Manufactures reported by Mr. Adams.**

At the session of 1829–1830, the Committee on Manufactures in the House of Representatives reported a "bill in alteration of the several acts laying duties on imports." The object of this bill, however, was not to alter the duties, but the more effectually to enforce their collection.

It had been ascertained that frauds in the importation of woolens, to a great extent, were perpetrated in violation of the tariff act of 1828. Mr. Mallary, who reported the bill, presented testimony, not only proving clearly that frauds were practiced, by which duties were evaded, but describing the manner in which the frauds were committed.

Mr. M'Duffie said he would always be in favor of enforcing the collection of the revenue, even though he might object to the laws by which it was levied. In this case, however, he would do it by diminishing the duties, and thereby removing the inducement to evade the duties. With this view, he moved to amend the bill by striking out the principal part of it, and inserting provisions to repeal so much of the acts of 1824 and 1828, as increased the duties on wool and woolens, iron, hemp, flax, cotton bagging and other cotton goods, molasses, and indigo, and to reduce the duty on salt.

Thus was the discussion of the tariff policy again opened. Mr. M'Duffie made a speech of unusual length upon the subject, occupying portions of three different days. He was followed on the same side by Mr. Blair, of the same State, [S. C.] who denied the constitutionality of protection, and denounced the system with much vehemence. They were replied to by Mr. Davis, of Mass., who spoke at great length. The debate was continued for about a week, by Messrs. Crawford and Denny, of Pa., Gorham and Everett, of Mass., Young, of Conn., Burges, of R. I., and Martindale, of N. Y., in favor of the bill and of protection generally; and Messrs Barnwell and Drayton, of S. C., Cambreleng, of N. Y., and Bouldin, of Va., in opposition.

Seldom, if ever, has greater ability been displayed in the discussion of this exciting question than in this debate. We are not at liberty, however, to present even a brief abstract of it. We can do little more than exhibit a few statements, promiscuously, taken from some of the speeches, in illustration of the nature and effects of the protective system.

Mr. Young, in proof of the declaration that prices had been reduced by the competition produced by protecting duties, said: We know that coarse cotton cloths below about No. 25, have been fairly protected; those from that to about No. 45 or 50, partially protected; those above that very slightly, including what are termed, in our tariff, cambrics, muslins, &c. And what has been the result? While the fine cottons, which include a greater proportion of labor, and should have fallen lower, have only fallen from 15 to 25 per cent., (not so much as your agricultural produce in the same time,) coarse cotton goods have fallen from 50 to 75 per cent. This case I have put for the double purpose of exemplifying the effects of our protection and competition in those articles we manufacture, and of showing the use the foreigner makes of our market, so far as he supplies and controls it.

I will give another instance, exemplifying the same effects, more palpable and decisive probably. I allude to common crockery ware, and common glass ware; both imported and sold by the same class of merchants generally. Glass and glass wares, we know, have received such protection as to excite powerful competition. While the manufacture of common, enameled, and printed wares has as yet scarcely been attempted in this country, some brown wares and imitation Delphian wares have been common, and some new manufactories of porcelain are lately promising success. But the common Liverpool ware, as it is often called, has at all times occupied, commanded, and controlled our market, and regulated its prices. And what has been the result? While one has hardly fallen 15 per cent., the other has in many branches of it, fallen 75 per cent. And the opposers of this system who complained so much of its injustice and oppression, are now actually saving 25 per cent., or more, on their glass wares, in consequence of this protection, and losing the same amount on their earthen wares for the want of such protection.

Mr. Y. alluded to the well known fact, that our coarse cottons were successfully competing with those of British manufacture. He said, the great mystery of our competition in

foreign markets is, that the English manufacturer can not, and if he could, he will not, (where he can avoid it,) sell his goods at our present reduced prices, where he can command the market. The American manufacturer asks no better business than to sell his goods at the English market price, where the English manufacturer and merchant have the trade.

The English manufacturer, it is well known, has long enjoyed a great trade in cotton yarn with the nations in the North of Europe. This is there manufactured into cloth. Any stuffing, imperfection, or deception, which might go off well enough in cloths sold here and there, must be avoided to retain this market. It is, therefore, policy for the manufacturer to make this an honest, fair article, and of course it is a fair article to compare prices upon; and a fair criterion, and probably the only exact one in the whole range of our rival cotton and woolen manufactures. The English manufacturer, it is well known, is in the habit of putting the American stamp and mark on his own fabrics, from a consciousness of their superiority. How then stands the comparison? I have known for some time the general fact that we were underselling the English manufacturer in this article. I have now a statement of the market prices of cotton goods generally in Manchester, (England,) and Philadelphia, and the price of yarns, collated and compared, from No. 12 to No. 30, inclusive, which any gentleman may examine, and have evidence of its accuracy; and he will find that the difference is nearer 6 than 5 per cent. in our favor. He will find, too, that you can purchase one pound of good cotton cloth, of American manufacture, at about the same price that you can a pound of yarn in the English market. Strange as it may seem, the American manufacturer, if he were permitted, could make a good business in sending cotton yarn and cotton goods to a British market, to Manchester itself.

These facts, Mr. Y. thought, were sufficient to prove, that the protection of domestic manufactures had reduced the prices of them in our markets below the average prices of similar manufactures of other nations; and that the American manufacturers do and can furnish their fellow-citizens with all those articles which are fairly protected, at lower prices than those at which any other nation does, or can, or will furnish them.

The South Carolina members had mentioned as among the grievances of the South, the depreciation of the price of cotton.

Mr. Martindale, of N. Y., remarked: The tariff has not reduced the price, but has contributed to keep it up. The South has overstocked the markets of the world; and the price has fallen in exact proportion to the excess of supply. The proof to this point is abundant. One fact alone is conclusive. More than half the usual crop remains on hand in the English market at the close of every season. In the whole mass of commercial commodities, there is not a parallel to this excess of supply, and consequent excess of cheapness. Would the repeal of the tariff remedy this? No; it would increase the mischief. The consumption of cotton would be less; for the means of purchase in the Northern States would be greatly diminished.

The history of the past proves that the tariff has had no influence in accelerating this depreciation; nor can any tariff arrest it. The depreciation was more rapid before the tariff of 1824 than it has been at any time since. The mania of 1825, which raised cotton to 30 cents a pound, will not, I presume, be imputed to the tariff. In five years, including 1819 and 1823, the export of cotton was actually doubled; but the price of the whole was actually diminished. In ten years the annual crop of the United States has more than trebled. The annual crop may now be safely estimated at 300,000,000 pounds; but the value is less than $30,000,000. This increase is without a parallel in the history of agriculture; and though its consequences are natural and inevitable, they have by no means been what they would have been, but for the opportune introduction of manufactures in the North, and the sugar culture at the South.

The question was taken on Mr. M'Duffie's amendments, and decided in the negative, except that which proposed a reduction of the duty on salt. This having been amended so as to reduce the duty to 15 cents per bushel after September next, and to 10 cents after the 31st of December, 1831, it was adopted; 105 to 83.

A motion was made the next day, (May, 12,) to reconsider this vote. Salt being an absolute necessary, it was by some considered an improper article for a high duty. Others, advocated the continuance of the high duty as an encouragement of domestic manufacture. The price of salt, it was said, owing to the competition of manufacturers and importers, was kept pretty steady and low, and would be gradually reduced. From a statement exhibited, it appeared that, excepting the seven years next after 1807, (during which there

was no duty on salt, and no account of the quantity imported,) there had been imported from 1801 to 1826 inclusive, (19 years,) about 63,000,000 bushels, on which had been paid duties to the amount of about $12,500,000. In 1790 a duty was laid of 12 cents a bushel. In 1797, a duty of 20 cents. In 1807 the duty was abolished. In 1813, the duty of 20 cents was restored, and had been from that time continued.

The question to reconsider was carried, 102 to 97; and after some further debate, the question was taken on the amendment to reduce the duty, and negatived: Yeas, 98; nays, 102.

Mr. Buchanan having previously proposed a substitute for the bill from the House, the question was taken upon the bill, and decided in the affirmative: 127 to 40.

The title of the bill was subsequently altered; and the act is entitled, An Act for the more effectual collection of impost duties. It made no change in the duties, except on railroad and scrap iron. The bill was concurred in by the Senate.

An act was passed to reduce the duties on coffee, tea, and cocoa. On coffee to 2 cents a pound, and after December 31, 1831, to 1 cent. On cocoa to 1 cent. On teas, after the 31st of December, 1831, 25 cents on imperial, gunpowder, and gomee; hyson and young hyson, 18; hyson skin and other green teas, 12 cents; black teas, except bohea, 10 cents; bohea, 4 cents per pound. A higher duty was to be charged on teas imported from any place this side the Cape of Good Hope, or in foreign vessels.

At the next session of Congress, [1830–1831,] a memorial was presented from mechanics employed in various branches of the manufactures of iron in Philadelphia, as steam engine makers, shipsmiths, hardware manufacturers, blacksmiths, &c., praying for relief from the burden imposed on them by the high duties on iron. They conclude their petition by saying: All, then, that your memorialists ask, is, that the existing laws shall be so modified, that the iron which is now imported in a state of hardware can be imported in a crude state, and thereby give equal advantages to your memorialists with those now enjoyed by the British in the American market.

Counter memorials from persons engaged in the same employment were presented. The session was too near its close to admit of action on the subject.

One of the prominent questions which signalized the first

session of the 22d Congress, [1831–1832,] was that of a revision of the tariff of 1828. From the expressions of dissatisfaction at the time of its passage, by many of the friends as well as the opponents of protection, against many of the provisions of the act of 1828, it is not strange that, at so early a period as four years after its passage, an attempt should be made for its revision. And as but a small portion of the public debt remained unpaid, there appeared to be a general disposition to reduce the duties, especially on such articles as did not come into competition with similar articles of domestic growth or manufacture.

Although the bill which formed the basis of the act of 1832, originated in the House of Representatives, the subject appears to have been first introduced in the Senate.

Mr. Clay, who, though not in Congress in 1828, was known to have entertained strong objections to certain provisions of the act of that year, introduced, on the 9th of January, 1832, the following resolution:

*Resolved*, That the existing duties upon articles imported from foreign countries, and not coming into competition with similar articles produced within the United States, ought to be forthwith abolished, except the duties upon wines and silks, and that they ought to be reduced; and that the Committee on Finance be instructed to report a bill accordingly.

The resolution was taken up for consideration on the 11th.

Mr. Clay presented a view of the state of the revenue and the public debt, and a calculation as to the amount of revenue necessary to be raised; and proposed a reduction of revenue of $7,000,000. This reduction, he said, might be effected in various ways; three of which he noticed:

1st. To reduce the duties on all articles in the same ratio, without regard to protection.

2d. To retain them on unprotected articles, and augment them on the protected articles.

3d. To abolish and reduce the duties on unprotected articles, retaining and enforcing the faithful collection of those on the protected articles.

The third mode, he said, was the most equitable and reasonable, and presented an undebatable ground upon which, he hoped, all could safely tread. It exacted no sacrifice of principle from the opponents of the American system; it comprehended none on the part of its friends. It is simple and free from all complexity. It divides the whole subject of imposts according to its nature. It settles at once what ought

not to be disputed, and leaves to be settled hereafter, if necessary, what may be controverted. I came here, sir, most anxiously desiring that an arrangement of the public revenue should be made, which, without sacrificing any of the great interests of the country, would reconcile and satisfy all its parts. I perceived in the class of objects not produced within the country, a field on which we could all enter in a true spirit of compromise and harmony, and agree upon an amicable adjustment. Why should it not be done? Why should those who are opposed to the American system demand of its friends an unconditional surrender? Yes, sir, I came here in a spirit of warm attachment to all parts of our country, with a lively solicitude to restore peace and harmony. That such may be the spirit presiding over our deliberations, and such their issue, I yet most fervently hope.

Mr. Hayne, in reply to Mr. Clay, expressed great dissatisfaction at the plan proposed. He objected to it, because it proposed to take off only six or seven millions from the revenue, and to confine the reduction of duty to articles which do not enter into competition with similar articles produced at home; in other words, that articles of universal consumption, and in relation to which every class of the people, and every portion of the country, contribute equally, should be relieved entirely from all taxation, while the high duties on protected articles were to remain untouched. In a word, that the bands of the mammoth system of injustice and oppression were to remain unrelaxed—a system which was felt and acknowledged in one quarter of the country as a boon and a bounty, and in another as an insupportable burden—a system which, (in the language of the Senator from Kentucky,) if it had "scattered its rich fruits" over any portion of the land, had visited others with its consuming curses. How was it possible for gentlemen to suppose that we should meet on ground which involved no concession whatever to our views, but which proposed to maintain the protecting system in all its unmitigated rigor, thus aggravating, instead of diminishing the inequality and injustice of which we so justly complain? It follows, then, that we are to have no reduction of the protecting duties whatever, either now or at any future period. In the presence of this august body, and before his God, he would repeat his deep conviction, that the consequences to grow out of the adjustment of this great question involved the destinies of this country; and in order that we may approach it with wary steps, he would now

move that the further consideration of the resolution should be postponed to, and made the order of the day for Monday next. The motion was agreed to.

The Senate, on Monday, took up the resolution, when—

Mr. Hayne moved to modify the resolution, so as to require that the duty "be so reduced that the amount of the public revenue shall be sufficient to defray the expenses of Government after the payment of the public debt; and that, allowing a reasonable time for the gradual reduction of the present high duties on the articles coming into competition with similar articles made or produced within the United States, the duties be ultimately equalized, so that the duty on no article shall, as compared with the value of that article, vary materially from the general average."

Thus was the issue joined—the contest begun—in the Senate. The champion of the "American system" had avowed his assent to a reduction of the revenue by a reduction of duties; but this reduction was to extend only to articles of such kinds as were not produced in this country; while the most distinguished representative of "free trade" manifested a determination to sever, if possible, "the bands of that mammoth system of injustice and oppression" which was so obnoxious to the South.

Seldom has the Senate contained a greater amount of talent than it did at this time, as will appear from the names of those who participated in the debate, viz: Messrs. Holmes and Sprague, of Maine; Hill, of N. H.; Knight and Robbins, of R. I.; Marcy, of N. Y.; Dickerson, of N. J.; Dallas and Wilkins, of Pa.; Smith, of Md.; Tazewell and Tyler, of Va.; Mangum, of N. C.; Hayne and Miller, of S. C.; Forsyth, of Ga.; Bibb and Clay, of Ky.; Grundy, of Ten.; Ewing, of Ohio; Hendricks, of Ind.; Poindexter, of Miss.; King and Moore, of Ala.; Benton, of Mo., and several others. Messrs. Webster, of Mass., and Frelinghuysen, of N. J., were also in the Senate, but took no part in the debate on Mr. Clay's resolutions.

Distinguished as the debate was for ability and statesmanship, not many new views on this oft discussed question were presented. Many new facts, however, were stated in illustration of the arguments of speakers. Those who have read the preceding pages will be already in possession of most of the arguments by which the tariff policy is supported and opposed; and we shall therefore occupy but a few pages with the remarks of speakers on these resolutions.

Southern Senators, as usual, complained of oppression and distress. Said Mr. Hayne: I assure the gentleman that the condition of the South is not merely one of unexampled depression, but of great and all-pervading distress. In my own State, the unhappy change which has within a few years past taken place in the public prosperity, is of the most appalling character. If we look at the present condition of our cities, (Charleston, for example,) we find every where the mournful evidence of premature decay. Sir, it is within my own experience, that, in the devoted city in which my lot has been cast, a thriving commerce was, within a few years past, carred on direct to Europe. We had native merchants, with large capitals, engaged in the foreign trade. We had thirty or forty ships, many of them built, and all owned, in Charleston, and giving employment to a numerous and valuable body of mechanics and tradesmen. Look at the state of things now. Our merchants bankrupt or driven away—their capital sunk or transferred to other pursuits—our shipyards broken up—our ships all sold—our mechanics in despair—the very grass growing in our streets, and houses falling into ruins—real estate reduced to one-third part of its value, and rents almost to nothing. . . . If we fly from the city to the country, what do we there behold? Fields abandoned; the hospitable mansions of our fathers deserted; agriculture drooping; our slaves, like their masters, working harder and faring worse; the planter striving with unavailing efforts to avert the ruin which is before him.

Mr. Holmes, of Maine, in reply, said: It seems to me that the evils which we have heard described with such feeling and touching eloquence, must be either imaginary or greatly exaggerated. In 1824, in discussing the subject of the tariff, that Senator thus described the then condition of the people of the United States: "All classes of our people are supplied with food, not, as in many parts of Europe, a single kind, and of insufficient quantity, but in a great variety and in vast abundance. They have convenient dwellings, sufficient fuel, warm and comfortable clothing; and these blessings are possesed to an extent which leaves no room for complaint in any part of the country. We possess, too, the means of educating our children."

Now, in little more than seven short years, they, from this high eminence, this summit of human happiness, are plunged into the deepest and darkest abyss of misery and despair. In looking at the population of the cotton growing States,

South Carolina, Georgia, Tennessee, Alabama, Mississippi, and Louisiana, I find that in ten years, from 1820 to 1830, there was an increase of nearly fifty per cent.; and, allowing a proportionate gain for the next ten years, it will double in twenty years. Here is an indication of prosperity. Further: the great staple, the chief industry of these people, is cotton planting. Let us see the result of these products at two given periods, 1821 and 1830:

| | 1821. | 1830. | Gain. |
|---|---|---|---|
| Cotton, lbs. | 124,993,404 | 290,314,937 | 165,318,532 |
| Value, | $20,157,484 | $29,674,883 | $9,517,399 |

By these results we see a population doubling in twenty years, increasing in the export of its great staple one-half in value, and nearly three-fifths in quantity, increasing the home consumption of the article at least one-half in the same period, and furnishing in it more than half of all the domestic exports of the United States; and yet within the last seven years fallen into the region of despair. Sir, if this is so, it is a paradox that would confound and paralyze every political economist and statesman who ever wrote.

Mr. Dallas, of Pa., on the same subject, said: Other causes exist, adequate to all the lamented distresses. Among these is one which, alone, unaided by coöperation from others, necessarily leads to results of wide-spread, protracted, and conspicuous embarrassment and desolation. The great Southern staple, cotton, is the product of an exhausting plant—a plant which feeds voraciously upon the fertility and strength of the best soils. Every returning season finds the earth in which it is cultivated less competent to supply its exactions, and sustaining, therefore, a less hardy and generous growth. The ultimate dissatisfaction of the planter, whose produce thus annually diminishes, is inevitable. He struggles, perhaps, for years, in fruitless efforts, to revive the original fecundity of his farm; to arrest, at least, its gradual decrease from eight to six bales, by the hand, to two or three; . . . and finally, while he has yet scarcely entertained the project of removal, casts his anxious eyes upon the immense region, in his immediate vicinity, of land much cheaper than in his native State, of virgin soil, of superior fitness for the plant to which his skill and industry have long been adapted. Is it surprising that this boundless range of territory should attract capital and enterprise to the culture of cotton from all parts of the country? that the quantity of production should rapidly augment, and its rela-

tive value or price fall, or that it should offer temptations to abandon the comparatively spent farms heretofore tilled?

One of the causes of complaint mentioned by Southern Senators, was the low price of cotton, which they ascribed to the tariff.

Mr. Ewing, of Ohio, had previously assigned, as one of the causes of the reduction of the price of cotton, the same as that above cited from Mr. Dallas—namely, over-production. A large extent of fertile lands had been brought into cultivation, and a vast amount of this product had been thrown into market; and the price had fallen from 34 cents, in 1818, to 11 cents, in 1823, before the tariff act of 1824 was passed. A part of this reduction, however, he ascribed to the rise in the price of money. And it was remarked, in the course of the debate, that flour, tobacco, and other agricultural products had fallen, some in equal, and others in nearly the same proportion.

It was contended, in this debate, as usual, by the opponents of protection, that the duties necessarily keep down foreign competition, and enhance the price of the product to the consumer.

Mr. Holmes, in answer to this, said: Whether the impost falls on the consumer or on the producer, or is divided between them, depends upon the demand. If the producer is more necessitated to sell than the consumer to buy, the impost falls on the former; if the reverse, it falls on the latter; if the necessity is equal, it is divided between both. Diminish the number of producers, and you destroy the competition in the production. Diminish the number of consumers, and you effect the same in the consumption. The Senator tells us that a coat may be purchased cheaper in Canada than in the United States. Be it so; and what would be the result should you withdraw the protection from your own woolens? Should it suppress the American fabric, the British manufacturer would be almost without competition. He then could furnish the market, and establish the price. Take a simple illustration: In a country village there are twenty consumers of a single manufacture, and two producers of the article. While these rival artists remain, each would attempt to excel the other, and the purchasers would all profit by the competition. Let one of the two be withdrawn, and would not the whole twenty suffer by being left at the mercy of a single producer, who might demand his own price? Further: Suppose, in the same village, twenty producers of

the raw material should furnish these two manufacturers. On the withdrawal of one, would not these twenty equally suffer with the consumers? Now if Great Britain were our sole manufacturer, and we were the consumers of her products, and the producers to her of the raw material, why would not the producers of this raw material, and the consumers of the manufactured article, be as much in her power as in the example cited?

But if you calculate upon relief from this, by supposing that her manufacturers will so compete with each other, each striving for the preference in our market, you have forgotten her whole policy. You would find combination and monopoly, instead of competition and rivalry; and we should be made the sport of her capitalists, and, in effect, be re-colonized.

Mr. H., to prove his argument, refers to prices. He said: If any one rule, more than another, is to be relied on, it is this, that as soon as protection begins to operate, and in proportion to its operation, the tax is reflected back from the consumer to the producer. Take the case of bar iron. In the years 1818, 1826, and 1830, when the tariffs of 1816, 1824, and 1828, were in full operation. I recur to the price current in Boston, and select for an example, "Old Sable." In 1818, the duty was $9 per ton, and the price, including the duty, $104. In 1826, duty, $18; price, including duty, $100. In 1830, duty, $22 40; price, including duty, $96. Thus, while the duty has been constantly increasing, the article taxed has been as constantly diminishing. The reason is as manifest as the fact is true—the domestic article has been increasing in quantity. Suppose the foreign manufacturer furnished three-fourths of your consumption, the greater quantity would command the price, and this tax would fall on the consumer. But let the domestic product increase to one-half, the competition between foreign and domestic producers will be more equalized, and the tax will be divided between the producer and consumer. Let the domestic product be three-fourths, and your own producers govern the market, and the foreign producer bears the tax, or nearly so. Again: take the article of nails: the duty 5 cents per pound, and the nails, duty and all, but 5½ cents, when the raw material of which they are made is 4½ cents. Cheese, duty 9 cents per pound, and the best cheese may be had for 8 cents.

Mr. Knight, of R. I., said, on the same subject—that of price: It has been asserted here, that the bounty to the manufacturers of cotton goods alone is nearly $9,000,000. With

all the rhetoric and arithmetic of gentlemen, they will be much troubled to make a plain man understand that, when he purchases a yard of cotton cloth for 7 cents, he pays a tax of 8 cents (that being the duty) into the treasury of the Union, or a like sum, in the form of bounty, to the manufacturer. You may show it by figures, and prove it by argument; but he will still doubt, and be apt to believe it is only a vision of those that assert it. It is said 200,000 bales of cotton were manufactured in the United States the last year. Cotton is protected by a duty of 3 cents per pound. Estimating it at 300 pounds per bale, the protection on the same, if the reasoning of gentlemen is correct, is $1,800,000, and should be set down as taxes paid by the consumer, for the benefit of the cotton grower.

But another grave charge against the protecting system, said Mr. K., is this: High imposts upon the fabrics of those who take our raw materials, diminish the demand for such materials. This is supposed to be done by taxing the consumer, and lessening the consumption; or by taxing the producer, lessening his profits, and, consequently, driving many from employment. This alarm was sounded loud in the discussions of the tariff of 1824. The Senator from South Carolina, relying on the calculations of a member of the other house, [Mr. Cambreleng,] prophesied that that bill would diminish the importations $26,000,000, the revenue $8,000,000, exclude cotton fabrics $7,000,000, the duties on which would be $3,000,000, and diminish the exports of our cotton 44,000,000 pounds. Yet our exportation of cotton, which was, in 1823, the year before that tariff, 173,723,270 pounds, value, $20,445,520, had increased, in 1826, to 204,535,415 pounds, value $26,625,214. Our whole imports for 1823 were $77,579,767; for 1824, $80,549,007; for 1825, $96,340,075; for 1826, $84,994,477. So also the importation of cotton fabrics increased; being over and above the amount re-exported, in 1823, $5,587,097; in 1824, $5,037,075; in 1825, $10,105,061; in 1826, $6,191,228.

You see, sir, by this exhibit, that, contrary to the strong prediction of such a fatal diminution of trade, the importations and exportations, particularly of cotton and cotton fabrics, have been surprisingly increased; so that, in 1830, the cotton exported was 290,311,937 pounds, valued at $29,674,883, and the cotton fabrics imported for consumption, $5,926,070. Here we have the direct proof, by matter of fact, that our reasoning is sound and conclusive. The necessity

of the producer has become greater than that of the consumer, by the competition which your protection has caused, and, consequently, a reduction of price and an increase of consumption. I will show most clearly that the consumption of the foreign fabric has greatly increased under the operation of your tariff. It is a palpable error to try this by the price or money value of the article imported. If the same goods are obtained for one million that heretofore cost three, the consumption is treble, though the value is the same. Take the cotton fabrics imported: they were, deducting the re-exportations, in 1821, $5,707,450; in 1830, $5,926,070—an increase of $218,630 only, if you regard the price. But the price of these goods, in those two years, was as 32 to 11; that is, the same goods, in quantity and quality, which cost 32 cents in 1821, could be purchased in 1830 for 11 cents. So that we consumed, in the latter year, nearly three yards to one in the former.

But this is not all. There has been a corresponding increase of quantity and reduction of price in the domestic fabric. We can probably manufacture, at this time, 100,000,000 pounds of cotton, valued at $10,000,000. Suppose the fabric to be quadruple the raw material, the manufactured article would be worth $40,000,000. Deduct the exportation, and the whole consumption of cotton fabrics, foreign and domestic, can fall little short of $45,000,000; which, at the price of 1821, would amount to $135,000,000. How are these things to be accounted for, but from an intensely active competition between manufacturers, foreign and domestic? Your protective system, if it has not done all, has contributed largely to this result.

Mr. Clay, speaking of the change in the condition of the country since the tariff of 1824, said: The foes of the American system, in 1824, with great confidence, predicted, 1st. The ruin of the public revenue. The gentleman from South Carolina, [Mr. Hayne,] I believe, thought it would be reduced $8,000,000. 2d. The destruction of our navigation. 3d. The desolation of commercial cities. And 4th. The augmentation of the price of objects of consumption, and further decline in that of the articles of our exports. Every prediction which they made has failed, utterly failed. Instead of the ruin of the public revenue, with which they then sought to deter us from the adoption of the American system, we are now threatened with its subversion, by the vast amount of the public revenue produced by that system. Every branch of our navi-

gation has increased. As to the desolation of our cities, let us take, as an example, the condition of the largest and most commercial of all of them, the great Northern capital. [Mr. C. here presented the assessed value of real estate in the city of New York, which was in 1817, $57,799,435; in 1824, the year of the tariff, $52,019,730. In 1825, it rose, and, gradually ascending, it reached, in 1831, $95,716,485.] Now, said Mr. C., if it be said that this rapid growth was the effect of *foreign commerce*, then it was not correctly predicted, in 1824, that the tariff would destroy foreign commerce, and desolate our commercial cities. If, on the contrary, it be the effect of internal trade, then internal trade can not be justly chargeable with the evil consequences imputed to it. The truth is, it is the joint effect of both principles—the domestic industry nourishing the foreign trade, and the foreign commerce, in turn, nourishing the domestic industry.

Why, sir, there is scarcely an interest, scarcely a vocation in society, which is not embraced by the beneficence of this system. It comprehends our coasting trade and tunnage, from which all foreign tunnage is absolutely excluded. It includes all our foreign tunnage with the inconsiderable exception made by treaties of reciprocity with a few foreign Powers. It embraces our fisheries and all our enterprising and hardy fishermen. It extends to almost every mechanic art. [Here Mr. C. enumerated about fifty different classes of mechanics.] These mechanics enjoy a measure of protection adapted to their several conditions, varying from 20 to 50 per cent. The extent and importance of some of these artisans may be estimated by a few particulars. The tanners and curriers, boot and shoe makers, and other workers in leather, hides, and skins, produce an ultimate value, annually, of $40,000,000; manufacturers of hats and caps produce an annual value of $15,000,000; the cabinet-makers, $12,000,000; the manufacturers of bonnets and hats for the female sex, lace, artificial flowers, combs, &c., $7,000,000; manufacturers of glass, $5,000,000. It extends to the great staple of Louisiana—sugar. It affects the cotton planter himself, and the tobacco planter, both of whom enjoy protection.

The total amount of capital vested in sheep, the land to sustain them, wool, woolen manufactures, and the subsistence of the persons directly or indirectly employed in the growth and manufacture of wool, is estimated at $167,000,000, and the number of persons at 150,000.

The value of iron, considered as a raw material, and of its manufactures, is estimated at $26,000,000 per annum.

Cotton goods, exclusive of the capital vested in the manufacture, and of the cost of the raw material, are believed to amount, annually, to about $20,000,000.

Such are some of the items of this vast system of protection which it is proposed to abandon. We might well pause and contemplate, if human imagination could conceive, the extent of the mischief and ruin from its total overthrow, before we proceed to the work of destruction.

Mr. C. went at length into a statement showing the reduction of prices of the principal manufactures. He said: I appeal to the farmer, whether he does not purchase on better terms, his iron, salt, brown sugar, cotton goods, and woolens, for his laboring people. And I ask the cotton planter if he has not been better and more cheaply supplied with his cotton bagging. I plant myself upon this FACT of cheapness and superiority, as upon impregnable ground. Gentlemen may tax their ingenuity, and produce a thousand speculative solutions of the fact; but the fact itself will remain undisturbed. Mr. C. then noticed particularly iron, of different kinds, coarse cotton goods, calicoes, brown sugars, nails, all of which had fallen under increased duties. Window glass, 8 by 10, prior to the tariff of 1824, sold for $12 or $13, per 100 feet; now, $3 75. In woolens, also, there had been a reduction, and would have been still greater, but for the high duty on the raw material imposed for the particular benefit of the farming interest. The protection given to flannels in 1828 was fully adequate. It has enabled the American manufacturer to obtain complete possession of the American market; and now let us look at the effect. I have before me a statement from a highly respectable mercantile house, showing the price of four descriptions of flannels during six years. The average price of them in 1826 was 38¾ cents; in 1827, 38 cents; in 1828, (the year of the tariff,) 46 cents; in 1829, 36 cents; in 1830, (notwithstanding the advance in the price of wool,) 32 cents; and in 1831, 32½ cents. These facts require no comments.

I have before me another statement of a practical man, well versed in the flannel manufacture in America and England, demonstrating that the cost of manufacturing is precisely the same in both countries; and that, although a yard of flannel which would sell in England for 15 cents, would command here 22; the difference of 7 cents being the exact

difference between the cost in the two countries of the six ounces of wool contained in a yard of flannel.

Mr. C. replied to several explanations of the causes to which Mr. Hayne had ascribed this reduction of prices, and then said: The great law of *price* is determined by supply and demand. If the supply is increased, the demand remaining the same, the price declines; if the demand is increased, the supply remaining the same, the price advances. It is therefore a great error to suppose that an existing or new duty *necessarily* becomes, to its exact amount, a component element of price. If the proportions of demand and supply are varied by the duty, either in augmenting the supply or diminishing the demand, or vice versa, price is affected to the extent of that variation. But the duty never becomes an integral part of the price, except when, after the duty is imposed, the demand and supply remain precisely the same as they were, or the demand is increased, and the supply remains stationary.

*Competition*, therefore, whether at home or abroad, *is the parent cause of cheapness.* If a high duty excites production at home, and the quantity of the domestic article exceeds the amount which has been previously imported, the price will fall. This accounts for an extraordinary fact, stated by a Senator from Missouri. A duty of 3 cents was laid upon a pound of lead by the act of 1828. The price at Galena and other lead mines afterwards fell to 1½ cents per pound. Now it is obvious that the duty did not, in this case, enter into the price; for it was twice the amount of the price. What produced the fall? It was *stimulated* production at home, exerted by the temptation of the exclusive possession of the home market. This state of things could not last. Men would not continue an unprofitable pursuit. Some abandoned the business, or the total quantity produced was diminished, and living prices have been the consequence. It is not fair to credit the foreign market with the depression of prices produced there by the influence of our competition. Let the competition be withdrawn, and their prices would instantly rise.

But it is asked, if, after we have acquired the requisite skill and experience, we can make certain articles as cheap as similar articles abroad, why not repeal the duties as to those articles? And why should we? Assuming the truth of the supposition, the foreign article would not be introduced in a *regular* course of trade; but would remain excluded by the domestic article. But might not the foreign

article be imported in vast quantities to glut our markets, break down our establishments, and, ultimately, to enable the foreigner to monopolize the supply of our consumption?

The fluctuation and fall of price in cotton having been ascribed to the tariff, Mr. C. cited Southern authority, showing that "the greatest fluctuation in the price of cotton, was *before* the tariff of 1828." He showed also that the price of cotton had fallen no more than other agricultural produce.

The opinions of British writers, having been adduced in favor of the principle of free trade, Mr. C. also quoted from British statesmen. Among others, a member of Parliament had said: "It is idle for us to endeavor to persuade other nations to join with us in adopting the principles of what is called 'free trade.' Other nations know, as well as the noble lord opposite, and those who act with him, that what we mean by 'free trade,' is nothing more nor less than, by means of the great advantages we enjoy, to get a monopoly of all their markets for our manufactures, and to prevent them, one and all, from ever becoming manufacturing nations."

In the course of this debate, as in similar debates, before and since, much was said, by the opponents of the tariff, of its injurious effects upon the laboring classes, and especially upon the agricultural portion of the community. In reply to this objection,

Mr. Robbins, of R. I., said: Consider, again, the demand which these manufactures make for the labor of the country, and the effect of that labor in improving the condition of the laboring classes, and in producing and augmenting the national wealth. Are the laboring classes of this nation few in numbers? In numbers, they far exceed all other classes put together. Is it no recommendation of this policy that it makes them happy, while they make their country rich?

This policy, then, will give us these manufactures as its primary effect. Now, what will be the effect of this effect? —the effect, I mean of manufactures? In the first place, it will be to create a market for our agriculture by the same policy—a market, of the magnitude and effect of which, those who have not reflected upon the subject can have no adequate idea; a market sufficient for all our agriculture as it now is, and all it may be hereafter; a market not confined to the sea-board, and a few ports, but diffused all over our country, wherever there is a waterfall, wherever there is a bed of coal, wherever coal may be water-borne; a market that, with the facilities of intercommunication which the country

may have, and ought to have, will be brought to every man's door. Wherever manufactures are planted, they change the face of nature, and the condition of the whole surrounding country, and by means of the market they create.

Ask the agriculturists within the sphere of those markets to give up this policy: you might as well ask them to give up their freeholds. You might tear them from the one as easily as from the other; and those of us who represent them here, be assured, are far behind them in zeal for its continuance. Why is it, that, as manufactures have multiplied and extended themselves, this policy has gained friends, and particularly with the agricultural population? It is because they have been made to feel its benefits. It has made them proselytes by conferring benefits. They see these manufactures putting every thing in motion around them, evoking and evolving all the dormant energies of the place and society; the old and the young, females as well as males, all employed. It is one scene of universal activity.

In relation to the effect of the tariff upon commerce, Mr. R. said: Of all the strange ideas thrown out in this debate, is the supposed tendency of this policy to diminish our commerce, and particularly the foreign. The truth is, that it does not diminish, but augments our foreign commerce. The effect is not immediately so visible in the tunnage employed, as in the increased value of that commerce. The tunnage appears less in proportion to the commerce, on account of the great improvement, of late, in the structure of merchant vessels; some of which carry nearly 50 per cent. more of cotton, for instance, to the tun than before that improvement. This policy, in the first place, by creating manufactures, creates a demand and a commerce for the foreign supply of materials necessary to their fabrics, greater than the commerce which it displaces and supersedes. This policy, in the next place, by increasing the ability of the country to consume, in the same proportion increases the foreign demand for all the supplies that foreign countries must furnish: for consumption is always regulated by income. I pray gentlemen to look at the effect of this policy on the foreign commerce of England, and examine the tables of that commerce. Vast as that is, you will see that nine-tenths of it is the fruit of this policy. To illustrate its effect, Mr. R. here referred to Worcester county, Mass., in which its infant woolen manufactories had already created an annual demand for indigo, madder, dye-woods, olive oil, hard soap, &c., to the amount

of $188,756. The tunnage required in foreign commerce by one single manufacture, in one county, is more than would be required to import all the woolens that we ever imported from England in any one year; yet we are told this policy is to diminish our foreign commerce.

But the effect of this policy on foreign commerce, is small compared to its effect upon the domestic commerce. The gentleman from Tennessee admits that the coasting tunnage is increased, and well he may, for it has doubled within a few years. But surely he need not be informed that the coasting tunnage employed is no criterion even of the coasting commerce: for the cargoes have increased in value much faster than the tunnage has increased in amount. The coasting vessel that transported lumber and other gross products, now transports cotton. The 200,000 bales required by our manufactures, is of more value than the whole of the coasting commerce was, or would be without them. Then reflect upon the value of the returns to the coasting trade from that very cotton, in cotton fabrics, to a four-fold amount of the cotton itself, and you see at once, that the growing amount of the tunnage employed is no criterion of the growing amount of the coasting commerce. But the coasting commerce itself, though some criterion, is no measure of the total amount of the domestic commerce. The separate internal trade, by internal communication, is to be added, vastly exceeding the amount of the coasting.

Here I beg leave to recur again to the woolen manufacture of Worcester county, now, for the illustration of the effect of this policy on the domestic, as I then did for its effect on the foreign trade. There is required for the supply of that manufacture, annually, 2,530,000 pounds of wool; 52,112 pounds of cotton, for warp of satinets; 190,000 pounds of pot and pearl ashes; 21,300 pounds of pastel and woad; 75,517 pounds of alum, copperas, blue vitriol, and other chemicals; 61,395 pounds of glue and pates; 3,176 barrels of soft soap; 11,700,000 teasels for napping cloth; 454 barrels of lime and bran; 10,323 cords of wood, for fuel; 275 tuns of mineral coal; leather for belts and repairs, worth $5,191. Let it be noted, that in this table is omitted the lumber and other materials employed in the factory buildings, and in their machinery. And here it may be remarked, that these manufactures create more demand and a better market for the article of lumber, with which our country so abounds, than all the West Indies, and all other

foreign markets of the world, put together. We see, then, that manufactures, valuable as they are in themselves, as an end, are still more valuable as means to other ends—as the means of giving a spring and impulse to agriculture, beyond all other means; and as the means of extending the sphere and augmenting the value of our commerce, both foreign and domestic, beyond any other and all other possible means.

Mr. Marcy, of N. Y., said he had voted against striking out Mr. Clay's resolution, because he did not approve of the amendment of Mr. Hayne proposed to be inserted in lieu thereof; but he did not approve the entire resolution of Mr. Clay. He concurred with him so far as it went to remove the duties from non-protected articles, as they had been called, which were objects of common consumption—articles which all classes of our citizens were in the habit of using. But the resolution was general in its operation upon non-protected articles; and would take off the duties from such as were consumed only by the rich and luxurious. He should therefore, when another amendment should have been disposed of, propose an amendment, the effect of which would be to retain a duty, but less than that now imposed, on articles usually denominated luxuries, as well as on wines and silks. The abolition of all duties on articles of luxury, while, for the purposes of protection, duties were continued on articles consumed by the less wealthy and the laboring classes, was wrong in principle, and would strengthen the opposition to the policy of protection. As a friend of protection, he felt unwilling to do any thing that would strengthen the hands of those who would destroy it altogether. The whole tariff required revision; and there was no good reason for not making it at this time. Mr. M. would add to Mr. Clay's resolution, after wines and silks, as follows: "And that the duties on articles imported into the United States, similar to such as are made or produced therein, ought to be so gradu ated as not to exclude such foreign articles from coming into competition in our markets with those made and produced in the United States; but to establish the competition on such terms as shall give a reasonable encouragement and protection to the manufactures and products of the United States."

The habit of judging of the favorable or unfavorable effects of the protective policy, from the fall or rise of the money prices of the articles subjected to duty, was thus noticed:

Mr. Sprague, of Maine, said: Labor is the best measure

of exchangeable value. A want of due regard to this important truth, has occasioned infinite perplexity and confusion in speeches and writings upon the tariff. In order to determine its merits or demerits, they inquire whether the price of its objects has been increased or diminished. On the one side is selected a class of articles, the price of which is undoubtedly increased by the imposts; and on the other, a list of products which are in no degree affected by the duties in the statute book. From the one set of examples it is vehemently insisted that imposts always enhance the price; and from the other as confidently that they never have that effect. Such reasoners, starting from different premises, and diverging as they progress in their course, can never come at any common conclusion.

In order to ascertain whether the tariff laws are beneficial or injurious, they inquire whether they do or do not increase the price of articles, and to this devote all their energies, as if the answer were decisive of the primary question. But the response, if it were given, would not be conclusive, because the price about which they dispute is measured by money, that is, the precious metals—no permanent standard, but themselves measured by something else.

Why is gold more highly appreciated than iron? Not for its comparative utility; not on account of the necessary and useful purposes to which it can be applied; for if mankind were to be wholly deprived of one of these metals, they had better, by a thousand times, dispense with the former than the latter. But it is because both being desirable, the difficulty, the labor of obtaining the one is so much greater than that of procuring the other.

Labor, then, is the best measure of exchangeable value, and the best standard by which to determine the benefits or the evils of a tariff system; price, in its usual acceptation, having reference to a fallacious standard—money. A course of legislation which diminishes the price of articles, may be injurious to the people, while one that increases it may be beneficial; and, on the other hand, a law which diminishes price may benefit, and one which increases it, injure, the public. Thus, if you diminish the price of the articles which a farmer or mechanic wishes to procure, but, at the same time, depress still more the commodities which he has to give in exchange, you injure him; while, if you enhance the price of those things which he purchases, but, by the same act, increase still more that of the articles which he is to give in return, you confer a benefit.

For what object is labor performed? Is it not to procure the comforts and conveniences of life? This is the paramount end; money is to be desired only as the means. With reference to this subject, therefore, that system of legislation is best which gives to labor the greatest amount of comforts and conveniences. This is a cardinal principle which should be kept constantly in view—a polar star to guide our course through the pathless, boundless, stormy, tumultuous ocean—of the tariff.

It has been said, that if the mechanic and farmer were asked to pay the increase of price by reason of the duty, separately, they would object. That, sir, depends wholly upon the form of the question. If, when the hatter is about to purchase a pair of boots, he is asked, Are you willing to pay fifty cents additional for the duty? he would doubtless answer, No: but if he were asked, Are you willing to pay that amount, if you can thereby obtain a dollar more for the hat which you must, directly or indirectly, give in exchange? his answer would be in the affirmative. The farmer wishes to procure cloth—he takes his wheat or wool to market. Are you willing to pay five cents a yard as duty? No. But suppose you can thereby obtain ten cents more for the quantity of grain or wool necessary to purchase the yard; will you then consent? Certainly. So of every other article. The true question is, in what manner will the products of his labor procure most of the commodities which he wishes to obtain in exchange for it?

After some further debate, on the 22d of March, the question was taken on Mr. Clay's resolution, with sundry modifications, and decided in the affirmative: Yeas, 27; nays 19—and the subject was referred to the Committee on Manufactures. The Committee on the 30th, made a report, in part, with a bill in conformity to the resolution. The bill was on the same day, on motion of Mr. Dallas, laid on the table, with the understanding that it should remain there, until a reasonable time had been allowed to the Committee to make a report.

On the 1st of May, Mr Dickerson, of the Committee on Manufactures, reported a bill to regulate the duties on imports. The bill was taken up, and certain proposed amendments ordered to be printed, and the bill was then laid on the table.

In the House of Representatives, February 8th,

Mr. M'Duffie, from the Committee of Ways and Means, reported "a bill to reduce and equalize the duties on imports."

This bill proposed to reduce to 25 per cent. the duties on iron and steel, salt, sugar, cotton bagging, hemp, flax, and manufactures of iron, cotton and wool, until the 30th of June, 1833; thereafter 18¾ per cent. to be charged until the 30th of June, 1834; and thereafter, 12½ per cent. On all other goods, a duty of 12½ per cent. from the beginning, except such as were free of duty, and such as were subject to duties of less than 12½ per cent.

The bill was taken up on the 28th of May, and supported by Mr. M'Duffie in a speech of very great length, in which the protective policy was elaborately discussed, and severely reprobated. It will be recollected that the present was but a few months before measures for forcible resistance to the tariff were taken by the State of South Carolina; and it is not strange that Mr. M'Duffie should give some intimations of the course contemplated by the authorities of that State. He said: I now stand up before you, sir, as a witness, and I give testimony in the presence of this assembly, and in the presence of that God to whom we are all responsible, that I conscientiously believe, that, if this question be not adjusted at this session, South Carolina will not submit to the tariff five months from the date of our adjournment. I beseech gentlemen, therefore, not in a spirit of menace, but of admonition, and "more in sorrow than in anger," to pause for a moment, and to calculate the consequences which may possibly ensue. I will not permit myself to believe that matters will ever reach the extremity of the dissolution of the Union. But as the gentleman from Massachusetts has presented some views to show how essentially the interests of the Southern States are involved in the Union, I will briefly present some plain statements to show its value to the Northern States.

South Carolina is fully aware of the responsibility she has assumed, and of the peril she must encounter; but no great object can be accomplished without great sacrifices. Had it not been for the heroic spirit of Leonidas and his immortal band, who devoted themselves at Thermopylæ for the common cause of Greece, the light of Grecian liberty might have been extinguished forever, and the destiny of mankind entirely changed. And I do confidently believe, that if South Carolina fails in the struggle she is now waging, the brief days of American liberty will be numbered.

Mr. Crawford, of Pa., the next day replied in an argumentative speech, in support of the protective policy, illustrating

his argument with statistics. In allusion to the hostile attitude which South Carolina might assume towards the General Government, Mr. C. said: I feel, sir, all the responsibility of the times. A crisis, in the opinion of many gentlemen, has almost arrived. No man deplores the unhappy state of things more than the individual who now addresses you; but with the settled convictions of his own mind, with the knowledge which he has of the interests of his own constituents, with the several times declared and unanimously expressed sense of his own State Legislature before him, and the belief that the South is not injured, and that a large proportion of the country is greatly benefited by the American system, he can not desert it. Amid the difficulties around me, I shall follow the only safe guide of life, which directs me to do my duty, and leave the consequences to the intelligence and patriotism of the South, and to God, with whom rest the destinies of man.

On the next day, [May 30,] Mr. John Quincy Adams, from the Committee on Manufactures, rose and said that he was instructed by that Committee to move that the bill of the Committee of Ways and Means, [that reported by M'Duffie, then under consideration,] should be laid aside, and that the bill of the Committee on Manufactures, reported by himself, [Mr. A.] on the 23d instant, be taken up.

It having been suggested by Mr. Archer that Mr. M'Duffie was not then in the House, and that it was due to him that this motion should not be pressed in his absence; and several gentlemen having expressed a desire to reply to him; but which, it was thought by some, would not be then in order; and it having, moreover, been suggested that the difficulty could be avoided by a motion to amend the bill before the House, which would take precedence over the motion to lay it aside;—

Mr. Appleton, of Mass., moved to amend it by striking out the first section, and proceeded to address the House at length in reply to Mr. M'Duffie; and was replied to the next day by Mr. Bouldin, of Va.

On the 5th of June, the bill reported by Mr. Adams was taken up for consideration, when

Mr. Drayton, of S. C., took the floor in opposition to the tariff, and was followed by Mr. Stewart, of Pa., who moved to strike out the whole of the bill reported by the Committee on Manufactures, after the enacting clause, and to insert one which he offered as a substitute.

It may here be remarked, that the bill reported by Mr. Adams was based on the report and bill referred to the Committee on Manufactures from the Secretary of the Treasury, Mr. M'Lane, although differing somewhat from that bill; and it was in several particulars objectionable to some of the friends of protection.

Mr. Stewart said, the professed object of the bill from the Treasury Department was twofold: 1st. The reduction of the revenue to the wants of the Government, after the payment of the public debt. 2d. The reduction of taxes. He thought the bill, if passed, would have the opposite effect. Instead of reducing, it would increase the revenue, and of course, increase taxation. If so, it must be abandoned on the principle of the report itself. It appeared from the report of the Secretary of the Treasury on commerce, that the imports, during the last year, had increased to such an extent, in spite of the present high protection, that the revenue on three items, woolens, cottons, and iron, alone would amount, even under the reduced rate of duties proposed, to $5,000,000 more than the revenue derived from the imports of the same articles in 1830, under the present high rate of duties. The imports of woolens, cottons, and iron with its manufactures, amounted, in 1830, to upwards of $19,500,000; in 1831, to upwards of $37,500,000. The import of woolen goods increased from something more than $5,000,000 to upwards of $13,000,000; wool, from 667,000 to 5,662,000 pounds; cottons, from $7,000,000 to $16,000,000; iron and its manufactures, from $5,000,000 to $7,000,000. If the imports of these articles, under the existing protection, doubled in amount last year, reduce the duties as proposed by the Treasury Department, and what will be the result? Will not the imports and the revenue be largely increased, especially when it is recollected, that, of these three articles, we now manufacture, in this country, to the amount of $92,000,000 per annum?

Suppose, now, you destroy, by this bill, only one-third of this immense production, which must be supplied from abroad, the imports would be more than doubled, and our revenue vastly increased. If the imports of wool increased from 667,000 pounds, in 1830, to 5,662,000 in 1831, with a protecting duty of 82½ per cent., what will it be next year, if the protection be reduced, as proposed by the Secretary, to 5 per cent. on coarse, and 25 per cent. on fine wool? Will it not (as was said by the gentleman from Massachusetts, Mr. Bates) put the knife to the jugular of every sheep in the country?

When the import of woolen goods has increased more than twofold in the last year, what will be the effect if the duty is reduced to less than half its present amount? Will it not result in the total and absolute destruction of the woolen business of this country? And this is but one item in the long catalogue of interests on which the Secretary's bill had pronounced the sentence of death, and handed over, bound hand and foot, to the British executioners. Why not also repeal the duty of 25 cents per bushel on wheat, and import wheat also from Egypt, Poland, and the Black Sea, and potatoes from Ireland, where they are produced much cheaper than here? Quit work, buy every thing, sell nothing, and grow rich. Flour is not more the product of agriculture, than cloth. Wheat and wool are alike the product of agriculture; the one is manufactured into flour, the other into cloth; and the policy that recommends the importation of the one, would recommend the importation of the other. Three-fourths of the value of cloth is the result of agriculture: hence, of the $13,000,000 sent last year to England for woolen goods, more than $8,000,000 went to pay for wool, the subsistence of labor, and other agricultural products which entered into its composition.

England would give millions to secure the passage of either the bill reported from the Treasury, or that by the Committee of Ways and Means. The Chairman of this Committee [Mr. M'Duffie] has frankly avowed his object; it is to destroy American, and make way for British manufactures, to increase the importation of British goods and the exportation of American specie: so that money becoming plentiful in England, prices will rise, and consequently cotton command a better price; and, on the other hand, money becoming scarce in the North, prices would fall, and they would obtain their supplies at a cheaper rate: in other words, his object is to enrich England by importing her goods, and impoverish this country by sending our money to pay for them.

The gentleman frankly admits, however, that it is better for the American farmer to pay even higher prices for American manufactures, because he gets a higher price for his produce in exchange. But this will not do; we must consent to destroy our manufactures, to give up our agriculture, and send our money to England to induce her to give "two cents a pound more for cotton." And if our manufactures and mechanic arts are destroyed, what then? It is an easy matter, the gentleman says in his report, for "a hatter or a shoe-

maker to take up some other trade." What other trade, when all are alike destroyed?

Where are the burdens and oppressions complained of? Why this perpetual clamor about robbery and plunder, resistance and rebellion? Our manufacturers now supply the South with cotton goods at one-fourth of their former price; woolens at one-half; glass, paper, lead, and many other articles, at one-third of their former cost; and this is oppression! I hope to hear no more about "glorious rebellion." We have come here to listen to reason, not threats. This is not the language of conciliation. I will never be driven from the discharge of duty by threats like these, nor will I compromise with treason, or concede any thing to the spirit of rebellion. The more we yield, the more will it demand, until it ends in resistance. Such a spirit must be met at once with justice, firmness, and decision. This is the only true course; and I hope this course will now be adopted.

Instead of reducing the duties, as proposed by the Secretary, on wool and woolens, cotton, glass, salt, leather, iron, and their manufactures, Mr. S. said he would increase them gradually until the market was completely secure to the American farmer and manufacturer; he would encourage the investment of capital and the acquisition of skill; he would extract wealth from the mines of the mountains; cover the hills and valleys with flocks and herds; fill the country with smiling villages; and become in fact, as well as in name, a free and independent people. He would put the country upon its own resources for what it can and ought to produce, instead of importing it; stimulate domestic instead of foreign industry; diversify labor; promote competition; break down monopoly; increase production; diminish prices; create markets for agriculture; and save the millions now sent abroad.

Mr. Adams explained the distinction between the two bills—that of the Committee on Manufactures, reported by himself, and the substitute offered by Mr. Stewart. The essentially different parts of the two bills were the 2d section of the Committees' bill, and the 3d section of Mr. Stewart's bill. Both articles had respect to wool, and manufactures of wool. The former assumed the principle that the present system of graduated minimums was to be abandoned, and its place supplied by a scheme of *ad valorem* duties, accompanied, in some cases, by specific duties also. But in Mr. Stewart's bill, the system of minimums was retained. According

to the present system of minimums, there was imposed a duty of 14 cents per square yard on all manufactures of wool costing at the place whence imported, 33⅓ cents. Others, costing 50 cents or under, were to be taken to have cost 50 cents. The next minimum was $1, then $2 50, then $4, and lastly, all cloths over $4. So that any woolen manufacture the cost of which should exceed, though by one cent, any of these minimum values, was to be deemed to be worth the sum in the next minimum above it. Thus, cloth costing $1 and one cent, was, by the present law, taken to be worth $2 50, and a duty of 45 per cent. was laid on that ficticious value. This was considered by the Committee on Manufactures as one of the greatest grievances inflicted by the tariff system; and it was that of which the citizens of the Southern States most loudly complained.

The bill proposed by the gentleman from Pennsylvania, not only proposed the continuance of this system, but an aggravation of it. It dropped the $1 minimum entirely, and provided that all manufactures of wool which had cost more than 50 cents, should be deemed and held to have cost $2 50. It provided also, an increase of the present scale of duties. The duties, instead of ranging, as at present; from 45 to 112 per cent., would, under the gentleman's bill, range 45 to 260 or 270 per cent. This did not look much like concession to the South.

Mr. A. said he ought, in justice, to observe that, since the bill proposed by the Secretary of the Treasury had been made public, and also that proposed by the Committee on Manufactures, there had been much evidence received from that part of the Union most interested in the cloth manufacture, that they would greatly prefer an adherence to the system of minimums. The Committee on Manufactures were not aware of this. But they had, nevertheless, determined on the propriety of abandoning it. It was now for the House to determine which of these two principles they would sanction.

In other respects, the bill from the Committee proposed a reduction of duties not quite equal to that provided by the bill of the gentleman from Pennsylvania. The Committee proposed to reduce them not more than 10 or 12 per cent. from present rates. The other bill proposed to reduce them 20 per cent., though by two successive operations—10 per cent. in January next, and 10 per cent. the January following.

There was one other point on which the Committee had hoped that there would be a concession, on the part of the

manufacturing interest, to the wishes and interests of the South, that might be acceptable to that part of the Union. He referred to a total remission of duties on coarse wool and coarse woolens. That kind of goods peculiarly used at the South, was one on which the duties might most easily be remitted. It now remained for this House to determine which of the two systems they would adopt.

The debate was continued upon the general question of the tariff, and upon amendments proposed by several gentlemen. The principal speakers in support of the protective policy, were, Messrs. Davis, Choate, Bates, and Everett, of Mass.; Denny and Sutherland, of Pa.; Evans, of Maine; Burges, of R. I.; Young, of Ct.; Bullard and Thomas, of Lou. Those who spoke in opposition were, Messrs. Mitchell, of S. C.; Bell, of Tenn.; Clay and Lewis, of Ala.; Wilde and Clayton, of Ga.

This debate, like others upon the same subject on previous revisions of the tariff, was able, interesting, and animated. We give one or two extracts from replies to representations made by Southern members of the effect of the tariff upon the South.

Mr. Davis, of Mass., said: The complaints of wrong and injustice come chiefly from South Carolina. Will the remedy she proposes heal the wound? Will an abandonment of the protective policy raise the price of cotton? American cotton now brings as much in Liverpool as West India or South American. How can you make it bring more? Will the destruction of manufactures make the poor exhausted lands of South Carolina as productive as the virgin soils of the Southwest? Will such an event make goods cheaper, and thus ease the consumer? . . . If we were to stop producing, would the articles we produce become cheaper? Take, for example, sugar. We produce 100,000 hogsheads annually. While we produce this, the planters of Cuba and other places pursue the business precisely as if we had not entered into it; for who can stop the operations of a farm? The consequence is, our production brings into market a greater quantity than would otherwise be made; and this redundance has actually reduced the price in the foreign market from 12 cents to 4 and 5 cents a pound. Sir, I recently saw an essay, written to prove that we ought to put an end to the production of sugar, because we were ruining the planters of Cuba by the competition. If we should cease to produce sugar, would not the diminished quantity raise the price?

Take also cotton goods. We produce annually at least 27 millions worth, and import about 8 millions worth. If this vast home production should stop, would goods be cheaper? It is plain they would not, unless there should be an accession of capital somewhere else equal to what is thrown out of business here. Where is such accession to come from? Is not the labor of foreign countries now pressed with employ? Has not the reduction in wages made it necessary for every one who works for bread to redouble his exertions to live? And has not the effect thus been to increase production instead of diminishing it? This is apparent from the state of the markets; for they are crowded with goods. Nothing can be more obvious than that stopping our mills would be a relief to the English, by placing them back to where they were before we interfered; and it would, to a considerable extent, enable them to raise their wages and their prices. The ground I repose on is, *that home competition has reduced prices, and its cessation will raise them.*

A new doctrine appears to have arisen about this time, which was declared in debate by Southern members. It is, that the import duty is equivalent to an export duty, and falls on the producer of cotton.

Mr. Davis said: The doctrine is again repeated, that the producers of exports pay the duties on imports. This again is to show sectional injustice, because the South is supposed to export more largely than the rest of the Union. This proposition is, on the face of it, so mysterious and blind, that it requires a better argument in support of it than I have ever seen to render it plausible. It amounts to this: A farmer in Ohio or Pennsylvania raises and sells one hundred bushels of wheat, which is ultimately made into flour, exported to Cuba, and a quantity of coffee is bought with the avails; the farmer pays the duty on the coffee: can you persuade any man in his senses that he does any such thing? And yet this is what the planters, or rather the supporters of this new theory, allege they do. They aver, that, although a planter raises cotton, sells it in the market, and pockets his money; yet, if the cotton is eventually exported, and foreign goods are bought with the avails, the planter actually pays the duty on these goods, though he is as ignorant of the cotton, and every thing that pertains to it, after the sale, as you or I, Mr. Chairman. The absurdity of the doctrine is too obvious to require an argument to refute it. The course of

trade shows that cotton is burdened with no such tax, direct or indirect. It goes free out of the country; and the planter here gets as much for the article in the home market as can be obtained for it in foreign countries, saving the charges of exportation, come from where it may. He pockets this money; and no one has the power to demand any portion of it for public use; it is his own. A free trade exists between England and the West Indies; there is no duty on imports to the colonies. Now, can a planter in Jamaica get any more for cotton of a given quality than a planter of Alabama? It is well known to every one within reach of my voice that he can not. Does it not follow that the duties on imports produce no effect on the price of cotton? And so it is with all produce.

Mr. Bullard, of Louisiana, though a Southerner, repudiated the doctrine. Now, sir, said Mr. B., when I go to market with my crop, I receive the market price in money. I do what I please with the money. I can take it in specie and bury it, or employ it in the purchase of slaves and additional lands, or in paying the expenses of my family. I meet, as competing purchasers, the English, French, and American manufacturers. The demand and the supply at the time establish the price. Does the French manufacturer pay you twenty per cent. more because the cotton goes to France to pay for articles which pay a less duty on their importation? Does the English purchaser deduct 45 per cent. when he makes his bargain with you, because English cloths or cutlery are subjected to that rate of duty? After the sale, the fluctuation of price, or the ultimate destination of the cotton, does not affect the planter. To him it is of no importance whether his cotton is sent to Europe as a remittance to pay for importations, or coastwise, to be manufactured or consumed in the United States.

If, then, the producer, as such, is not directly taxed in the sale of his staple, it must follow that the only operation of the tariff injurious to the South, is either the burden it imposes on consumption, or by paralyzing the powers of production. Its effect in the last sixteen years, if it had discouraged production, would have exhibited itself somewhere. How has it operated? At the date of the tariff of 1816, the production of cotton in the United States was 110,256,289 pounds, of which about 27,000,000 were manufactured at home, and the remainder exported. In 1830, the production had risen to 376,000,000, of which 77,000,000 were manufac-

tured in the United States. Here you have, in fifteen years, an increased production of about 265,000,000 pounds. One would think this fact alone would go far towards accounting for the fall of prices, and certainly proves that production has not been discouraged.

The debate on the general question of the tariff continued until the 16th of June, after which, the House was chiefly occupied in settling the details of the bill. The amendments proposed were numerous, showing that great diversity of opinion prevailed in that body: and it was not until the 27th of June that it was ordered to a third reading. This was done by a vote of 122 to 65. The next day, the bill was read the third time; and the question being on its passage,

Mr. M'Duffie rose, and again addressed the House at length in opposition to the bill.

The bill was passed by a vote of 131 to 65, as follows:

*Maine:* Yeas, 6; nay, 1. *New Hampshire:* Yeas, 5. *Massachusetts:* Yeas, 4; nays, 8. *Rhode Island:* Nays, 2. *Connecticut:* Yeas, 2; nays, 3. *Vermont:* Nays, 3. *New York:* Yeas, 26; nays, 2. *New Jersey:* Yeas, 3; nays, 3. *Pennsylvania:* Yeas, 14; nays, 12. *Delaware:* Nay, 1. *Maryland:* Yeas, 8. *Virginia:* Yeas, 11; nays, 8. *North Carolina:* Yeas, 8; nays, 4. *South Carolina:* Yeas, 3; nays, 6. *Georgia:* Yea, 1; nays, 6. *Kentucky:* Yeas, 9; nays, 3. *Tennessee:* Yeas, 9. *Ohio:* Yeas, 12. *Louisiana:* Yea, 1; nays, 2. *Indiana:* Yeas, 3. *Illinois:* Yea, 1. *Mississippi:* Yea, 1. *Alabama:* Yeas, 2; nay, 1. *Missouri:* Yea, 1.

The above vote, it will be seen, on comparison, differs materially from the votes on previous tariff bills, for the reason, as the reader will have perceived from the debates, that some of the provisions of the bill were not satisfactory to all the friends of protection. The reduction of the duty on iron was disrelished by some of the Pennsylvania members. The abolition of the entire duty on coarse wool valued at 8 cents or under per pound, rendered it objectionable to others. The minimum principle so strenuously insisted on by many on former occasions, as necessary to guard against frauds, was, in the case of woolen goods, almost entirely given up; but its friends received what was by some considered an equivalent, namely, a home valuation. Instead of estimating duties on the prices at which the goods were invoiced, the goods were to be appraised by appraisers in our own ports. Although it was approved by few Southern members, yet, being deemed preferable, on the whole, to the bill which it was to supersede, many of them voted for it on the principle of choosing the less of two evils.

The bill was passed by the Senate with some amendments,

to a part of which the House disagreed. The Senate proposed a conference. A conference was had; and the Committee on the part of the Senate recommended that they recede from all the amendments disagreed to by the House; which recommendation was agreed to; and the bill was passed. The vote on the passage of the bill before it was returned to the House, was 32 to 16.

Thus was ended another contest on a question which had long agitated the public mind—a contest which, however, not only failed to give quiet to the country, but was followed by that extraordinary and memorable event, the attempt of a State to carry out a doctrine which her statesmen had for years asserted, both in and out of Congress—NULLIFICATION—the right of any single State to resist any law of Congress which the authorities of such State should deem to be repugnant to the Constitution of the United States.

## CHAPTER XI.

**President Jackson on protection. Nullification in South Carolina. President's proclamation. Mr: Verplank's bill to reduce the tariff. Debate thereon. Force bill. Adoption by the House of Mr. Clay's compromise bill, pending in the Senate. South Carolina pacified.**

It had already become apparent, that the protective system was about to be subjected to a trying ordeal; and doubts of its permanency had begun to be seriously entertained. There were indications of its becoming strictly, what it was in a great measure already, a party question. In 1824, of the four candidates for the Presidency, neither of them was supported or opposed, it is believed, on account of his being supposed to be more or less friendly to the protective policy than his competitors. Gen. Jackson and Mr. Clay, in particular, two of the candidates, had given unquestionable evidence of their friendship for that policy; both of them, the former in the Senate, the latter in the House, having taken high and firm ground in favor of the act of 1824.

Nor had this question become as yet a party issue in the presidential election of 1828, immediately ensuing the passage of the tariff act of that year, which produced such high excitement in some of the Southern States. Notwithstanding Gen. Jackson's well known advocacy of high tariff principles, he received the unanimous support of that section of the Union. He had given an unequivocal pledge of his adherence to these principles. The fact that his election was advocated in the Western States on this account, and that he was supported at the South where these measures were so vehemently opposed, gave rise to some suspicions that his opinions had undergone some change Hence, in January, 1828, the Senate of Indiana, in order to ascertain his real sentiments, that the people might vote understandingly, passed a resolution requesting Governor Ray to address a letter to Gen. Jackson, "inviting him to state explicitly whether he favored that construction of the Constitution which authorizes Congress to appropriate money for making internal im-

provements in the several States; and whether, if elected President of the United States, he would, in his public capacity, recommend, foster, and support the American system." In his reply to the letter of Gov. Ray, he said: "I pray you, sir, respectfully to state to the Senate of Indiana, that my opinions, at present, are precisely what they were in 1823 and '24, when they were communicated, by letter, to Dr. Coleman, of North Carolina, and when I voted for the present tariff and appropriations for internal improvement."

In 1832, however, it was believed that he had to some extent departed from the views expressed before his election. He had, in his first annual Message, [December, 1829,] reiterated, substantially, the sentiments stated in his Coleman letter, that the protection of manufactures was necessary to the promotion of agriculture. He said: "It is principally as *manufactures and commerce tend to increase the value of agricultural productions*, and extend their application to the wants and comforts of society, that they deserve the fostering care of Government." And as the extinction of the public debt was at hand, after which there would be a surplus revenue, from the tariff, he suggested *the apportionment of this surplus revenue among the several States*, and the expediency, if the measure should not be found warranted by the Constitution, of proposing to the States an amendment authorizing it.

In his next annual Message, [December, 1830,] he again calls the attention of Congress to the subject of the "adjustment of the tariff." He said: "The chief object of duties should be revenue;" but "they may be so adjusted as to encourage manufactures." "Objects of national importance alone ought to be protected." "The present tariff taxes some of the comforts of life unnecessarily high; it undertakes to protect interests too local and minute to justify a general exaction; and it also attempts to force some kinds of manufactures for which the country is not ripe." And he recommends that each particular interest be taken up "singly for deliberation."

The Committee on Manufactures, of which Mr. Mallary was Chairman, in their report on the subject, expressed their dissent from some of the views of the President. They considered the language above quoted as indicating a *lowering* of his sentiments on this question, and "in plain collision with the sentiments he had previously maintained." He had admitted the power to "foster" our industry; in regard to which the Committee said: "If *revenue* alone is wanted, du-

ties for that object should be imposed. If *protection* to domestic industry is required, let duties be imposed to 'foster' it. Why should the *chief* object be revenue? Why protection *secondary*, when the treasury may be full? Then they should be adjusted to secure protection. This should be the *primary* object. The protecting power having once belonged to the States, and having, (as the President formerly held,) been transferred to the General Government, it may be used as the good of the nation demands, for a *primary*, not a *secondary* object."

The general expressions, "objects of national importance;" "some of the comforts of life;" "interests too local;" "some kinds of manufactures for which the country is not ripe," the Committee thought, afforded no aid in adjusting the *details* of a protecting tariff. The Committee also objected to the suggestion to submit each interest "singly for deliberation," without reference to a general system. They believed also that it was inexpedient to disturb the tariff which had been so recently revised.

Whether the language of the Message, in connection with certain facts and circumstances, justified the allegations of the opponents of Gen. Jackson, that he was shaping his views and policy to secure Southern favor, we will not affirm. But that more moderate views than he formerly held on this subject, were necessary to insure the future support of the uncompromising opponents of the tariff in that section of the Union, probably few were disposed to doubt. Nor will it probably be denied, that his Northern supporters who had almost unanimously maintained, to the full extent, the principles which he had himself advocated in former years, were gradually conforming their views and action to the policy advocated at the South. Indeed, to secure the predominance of the party, a union of his Northern friends with the enemies of protection in the Southern States, was considered indispensable. And the result was, that the party eventually assumed the common ground of opposition to the tariff; and some of the former champions of the protective policy became its most zealous opponents.

The anti-tariff excitement at the South was by no means allayed by the slight reduction of duties by the tariff act of 1832. Public meetings, especially in the State of South Carolina, the addresses of M'Duffie, Hayne, Hamilton, and other high officials, and the acts and proceedings of the State Legislature, kept the public mind in a state of violent agita-

tion. Forcible resistance, so long threatened, was at length resolved on, as "the last resort—as the only remedy for the evils inflicted upon the South by the General Government." The Legislatures of Virginia and Georgia had also asserted the principle of nullification; but they were unwilling to carry out that principle by a forcible opposition to the tariff laws.

The Legislature of South Carolina was convened by the Governor the 22d of October; and an act was passed calling a convention to be held on the 3d Monday of November, "to consider the character and extent of the usurpation of the General Government." The Convention assembled on the 19th of November, and on the 24th adopted an ordinance declaring the tariff act null and void; making it unlawful for the authorities of either the General or State Government to enforce the payment of duties within that State; and enjoined the legislature to pass laws giving effect to the ordinance.

No sanction was to be given to any appeal to the Supreme Court of the United States from the decisions of the State Courts, involving the authority of the ordinance, or the validity of any acts of the legislature giving effect thereto, or the validity of the tariff act of Congress. All public officers were to be sworn to obey and execute the ordinance and the acts of the State passed in pursuance thereof. Any act that Congress should pass to authorize the employment of force against South Carolina, was declared to be null and void, and would not be submitted to; and from the time of its passage, the State would consider herself absolved from all further obligations to the Union, and proceed to organize a separate Government. The ordinance was to take effect the 1st of February, 1833.

Congress met on the 3d day of December. The President, in his Message, alluded briefly to the opposition to the revenue laws which had arisen in that State. He expressed the belief that the laws themselves were adequate to the suppression of any attempt that might be made to thwart their execution; but said: "Should the exigency arise, rendering the execution of the existing laws impracticable, from any cause whatever, prompt notice of it will be given to Congress, with a suggestion of such views and measures as may be deemed necessary to meet it."

The Message had scarcely been delivered when intelligence of the passage of the ordinance by the South Carolina Convention reached Washington. On the 11th of December was issued the celebrated Proclamation of President Jackson, in

which he stated his views of the Constitution and laws applicable to the measures adopted by the Convention, and declared the course which duty would require him to pursue.

The legislature of South Carolina met on the 27th of November, 1832, and passed laws to give effect to the ordinance. These laws prohibited the collection of the revenue by the officers of the United States, and placed at the command of the Governor the militia of the State, to resist the enforcement of the laws. The Governor of the State at this time was Mr. Hayne, who had just been elected, and whose place in the Senate of the United States was supplied by the appointment of Mr. Calhoun, on the 28th of December, who, on the 4th of January, resigned the office of Vice President. A proclamation was issued by Gov. Hayne, in which he opposed that of the President by a constitutional exposition similar to that contained in his speeches of 1830; and claimed for the States "nullification as the rightful remedy." He required the people of the State to protect their liberties, "if need be, with their lives and fortunes," concluding with an invocation to "that great and good Being, who, as a 'father, careth for his children,' to inspire them with that holy zeal in a good cause, which is the best safeguard of their rights and liberties." It is proper here to say, that a portion of the people of South Carolina, called "Union Party" men, were determined to sustain the General Government.

These hostile proceedings of the South Carolina Legislature were followed, Jan. 16, 1833, by a Message of the President to Congress, communicating the proceedings of the Legislature of South Carolina, and suggesting the adoption of such measures as the crisis seemed to demand. A bill was reported by the Judiciary Committee, empowering the President to employ the land and naval forces of the Union, to enforce the collection of the revenue, if resistance should be offered.

The tariff of 1832 was destined to be one of short duration. The President, in his annual Message, in December, had again called the attention of Congress to the subject. He recommended a limitation of the revenue to the necessary expenditure under an economical administration of the Government. In the adjustment of duties, he said: "It is due to the interests of the different States, and even to the preservation of the Union itself, that the protection afforded by existing laws to any branches of national industry, should not exceed what may be necessary to counteract the regula-

tions of foreign nations, and to secure a supply of those articles of manufacture essential to the national independence and safety in time of war. If, upon investigation, it shall be found, as it is believed it will be, that the legislative protection granted to any particular interest is greater than is indispensably requisite for these objects, I recommend that it be gradually diminished; and that, as far as may be consistent with these objects, the whole scheme of duties be reduced to the revenue standard as soon as a just regard to the faith of the Government, and to the preservation of the large capital invested in establishments of domestic industry, will permit.

"That manufactures adequate to the supply of our domestic consumption would, in the abstract, be beneficial to our country, there is no reason to doubt; and to effect their establishment, there is, perhaps, no American citizen who would not, for a while, be willing to pay a higher price for them. But for this purpose, it is presumed that a tariff of high duties, designed for perpetual protection, has entered into the minds of but few of our statesmen. The most they have anticipated is a temporary and generally incidental protection, which they maintain has the effect to reduce the price, by domestic competition, below that of the foreign article. Experience, however, our best guide on this as on other subjects, makes it doubtful whether the advantages of this system are not counterbalanced by many evils; and whether it does not tend to beget, in the minds of a large portion of our countrymen, a spirit of discontent and jealousy dangerous to the stability of the Union.

"What then shall be done? Large interests have grown up under the implied pledge of our national legislation, which it would seem a violation of public faith to abandon. Nothing could justify it but the public safety, which is the supreme law. But those who have vested their capital in manufacturing establishments, can not expect that the people will continue permanently to pay high taxes for their benefit, when the money is not required for any legitimate purpose in the administration of the Government. Is it not enough that the high duties have been paid as long as the money arising from them could be applied to the common benefit in the extinguishment of the public debt?"

The foregoing paragraphs from the Message suggest a few words of comment. To us, the language of the President does not appear entirely consistent. It implies that it is ex-

pedient to protect national industry as far as "may be necessary to counteract the regulations of foreign nations," and yet the revenue from protective duties should be so limited as to keep the revenue within the necessary expenses of the Government economically administered. But it may happen that the measure of protection necessary to countervail the restrictions of other nations, will produce a revenue exceeding the national expenditures. The reduction of duties to a bare revenue standard may, in some cases, afford no protection at all. If, for example, a duty of 30 per cent. is necessary to enable the domestic manufacturer to compete with the foreigner, then a duty of 20, or even 25 per cent., would afford no protection; as the producer or manufacturer would not continue to do a losing business, though the loss should be a small one.

Again: The President seems to admit that high duties have the effect to reduce the price of manufactures, by domestic competition, below that of the foreign article; and he thinks that, to effect their establishment, any American citizen would be willing, for a while, to pay a higher price for them. But the manufacturers must not expect that the people will continue to pay higher taxes for their benefit. Now, if, as he says, high duties ultimately reduce the price below that of the foreign article, how can it be true that the people continue to pay any tax at all? If protection reduces the price of domestic goods below that of foreign manufactures, why not make protection permanent? When prices have been thus reduced, the foreign article is not bought, consequently no one pays the duty. Who, for instance, pays a "high tax" on coarse cottons? Notwithstanding the article has been "permanently" protected by a high duty, almost equal to the price of the article itself, not only are "the people" supplied at as low a price as those of any foreign country, England not excepted, but the American manufacturer competes successfully with the foreigner in any foreign market to which they are admitted on equal terms.

But, it may be asked, if the domestic manufacturer of a certain article can furnish it at as low a price as the foreigner, why not take off the duty? This question has been answered in some of the debates in preceding chapters. It might be sufficient to ask in return, if the duty does not operate as a tax, who would be benefited by its repeal? But the duty, although it has long since ceased to enhance, or keep up the price, is nevertheless necessary for protection.

It has often been shown, that foreign manufacturers, employing vast capitals, have sent their surplus stocks of goods into our markets, and sold them at a loss, in order to gain possession or control of the markets. We are certainly unable to reconcile the language of the President in this Message, with the sentiments which he avowed at an earlier period of his public life.

On the 28th of December, 1832, Mr. Verplanck, of N. Y., from the Committee of Ways and Means, made a report to the House, accompanied by a bill to reduce and otherwise alter the duties on imports. This bill was taken up on the 8th of January. It proposed a reduction of duties which could scarcely fail to satisfy the most ultra anti-protectionist. The Secretary of the Treasury, [Mr. M'Lane,] had, in his annual report to Congress, recommended the reduction of duties to the revenue standard; and this bill appears to have been prepared with a view to this object. It proposed certain rates of duty, generally considerably lower, in the first place, than those then existing; and then all duties which were more than 20 per cent. were to be reduced to a certain rate, some of them partly in one year, and partly in two years; others wholly at the end of the first year; so that after two years, no article should bear a higher duty than 20 per cent., except a few articles upon which specific duties were to be charged.

The bill was taken up in Committee of the Whole on the 8th of January. The debate upon it was a protracted one, being continued until the 25th of February, when, in the House, Mr. Letcher, of Kentucky, moved to strike out all after the enacting clause, and insert in lieu thereof the bill introduced by Mr. Clay in the Senate. This being objected to, Mr. Letcher moved to recommit the bill to the Committee of the Whole with instructions to report Mr. C.'s bill to the House, which motion was agreed to: Yeas, 96; nays, 54.

Those who participated in the debate on Mr. Verplanck's bill, were Messrs. Verplanck, Root, Cambreleng, Ward, and Beardsley, of N. Y., Polk, of Ten., Wilde, of Geo., Jarvis, of Maine, Drayton, of S. C., and Patton, of Vir., in its favor; and Messrs. Huntington, Ellsworth, and Young, of Con., Crawford, Denny, Watmough, and Banks, of Pa., Dearborn, Choate, Reed, Appleton, Davis, Adams, and Bates, of Mass., Jenifer, of Md., White, of Lou., Everett, of Vt., Kennon, Vinton, and Leavitt, of O., Arnold, of Ten., Burges and Pearce, of R. I., Shepard, of N. C., Wardwell, of N. Y., and Wayne, of Geo., in opposition.

The division of the speakers was not strictly between protectionists and anti-protectionists, as they had been formerly distinguished. There were among those who opposed the bill some who had opposed previous tariffs, but who thought the proposed reduction too great or too sudden; and in favor of the bill were some who had supported previous tariffs, but who thought a material reduction safe and proper, in view of the near extinction of the public debt, and the advanced state of domestic manufactures. Also the attitude assumed by the State of South Carolina, had more or less influence upon the minds of some who supported the bill, and who were disposed to make some concession to that State in order to prevent what was then by many apprehended—civil war.

The constitutionality of a protecting tariff was perhaps more fully discussed in this debate than had been done in any preceding one on this subject.

In the Senate, January 21, 1833, Mr. Wilkins, from the Committee on the Judiciary, to which had been referred the Message of the President, accompanying copies of his proclamation, in which he had declared his purpose to execute the tariff laws in the State of South Carolina, reported a "bill further to provide for the collection of duties on imports," otherwise called "the force bill." This bill empowered the President to employ the land and naval forces of the Union, to enforce the collection of the revenue, if resistance should be offered.

The bill was supported by Messrs. Wilkins and Dallas, of Pa., Frelinghuysen, of N. J., Holmes, of Maine, Clayton, of Del., Webster, of Mass., Rives, of Va., Forsyth, of Geo., Grundy, of Ten., and Ewing, of O.; and opposed by Messrs. Bibb, of Ky., Brown, of N. C., Tyler, of Va., Miller, and Calhoun, of S. C., Moore, of Ala., and Poindexter, of Miss. From the names above given, it will readily be inferred that the debate was one of great ability. Of course, the great question of the extent of the constitutional power of the General Government, which had on previous occasions been discussed, was a prominent topic in this debate. Of those who advocated the bill, Messrs. Frelinghuysen, Holmes, Webster, Clayton, and Ewing, were political opponents of the President and the Democratic party.

The question on the passage of the bill was taken on the 20th of February, and decided in the affirmative: Yeas, 32; nay, 1—Mr. Tyler. A number of the opposing Senators were ab-

sent, some of them on account of indisposition, when the vote was taken. On the engrossment of the bill, on the 18th, the names of Messrs. Bibb, of Ky., Calhoun and Miller, of S. C., King and Moore, of Ala., Troup, of Geo., and Tyler, of Va., had been recorded in the negative.

In the House, the bill was taken up on the 26th of February, and passed on the 1st of March, the last business day but one of that session. Those who supported the bill, and whose speeches are published, (except that of Mr. Wayne,) were, Messrs. Isacks, of Ten., Blair, of S. C., and Wayne, of Geo. It was opposed by Messrs. Carson, of N. C., Clayton and Foster, of Geo., Root, of N. Y., and Daniel, of Ky., all of whom, it is believed, had previously been among the friends and supporters of Gen. Jackson.

Mr. Carson, in the course of his speech, said, his heart had never known such a feeling of devotion toward any human being, unconnected with himself by blood, as toward Andrew Jackson. But he had arrived at the spot where they must part. . . God knew what had been his feelings on perusing this bill. He saw at once that the line of separation was drawn forever.

In the course of this debate, the consistency of the President on the doctrine of State Sovereignty was called in question. Mr. Daniel alluded to the controversy between Georgia and the General Government, in regard to the claims of the Cherokee Indians, whose case had been carried by appeal from the courts of Georgia to the Supreme Court of the United States. Mr. D. said it was well known that the President was in favor of the repeal of the 25th section of the judiciary act, which authorized the right of appeal from the Superior Courts of the States to the Supreme Court of the United States; and this, said Mr. D., addressing the Chair, you, yourself, well know. [Mr. Polk, of Tennesse, then occupied the Chair in the temporary absence of Speaker Stevenson.] All the members from the State of Tennessee, he believed, with one or two exceptions, voted for the repeal of this section. But there were many more corroborative proofs of the President's opinions on this subject. A distinguished Senator [Mr. Grundy] from the very State of which the Chief Magistrate is a citizen, expressed the following opinion in the Senate in the session of 1830, in the course of the great debate on the resolution introduced by Mr. Foot, of Connecticut.

[The debate here alluded to, as the intelligent reader is

aware, is that in which Hayne and Webster took a distinguished part, and in which the former maintained the right of a State to nullify an act of Congress which she deemed unconstitutional, and to secede from the Union, in case of a violation of the Constitution by the General Government. The right of nullification, it was contended, was in accordance with the doctrine of the Virginia and Kentucky Resolutions of 1798 and 1799, drawn up by Madison and Jefferson, especially with those adopted by the Legislature of Kentucky, which had been prepared by Mr. Jefferson. Mr. Grundy had said in his speech: "If the State possesses the power to act as I have shown, the necessary consequence is, that the act of Congress must cease to operate in the State, and Congress must acquiesce by abandoning the power, or obtain an express grant from the great source from which all its powers are drawn. The General Government have no right to use force. It would be a glaring absurdity to suppose that the State had the right to judge of the constitutionality of an act of the General Government, and at the same time, to say that Congress had the right to enforce a submission to the act."]

No difference, said Mr. Daniel, existed between them, [Mr. Grundy and Mr. Hayne,] and he did not see how any distinction could be drawn. The doctrines advocated by Mr. Hayne, as well as the mode in which they were advocated, had, at that time, met with the approbation of the President, as expressed in direct terms in a letter from him to Mr. Hayne. The terms employed were as strong as language can afford. They were to the effect that the speech contained an exposition of the true principles of republicanism, and that it should be bound up and placed in his library along with the works of Thomas Jefferson.

Mr. Bell, of Tenn., here rose in his place, and inquired of Mr. Daniel whether he had a personal knowledge of the President's approval of those principles, and of his commendation of Mr. Hayne's speech.

Before Mr. Daniel could reply, Mr. Carson, of N. C., rose with much earnestness, and said: I, from my personal knowledge, can declare that such is the fact. The President expressed his approbation of that speech, to me, in person.

Mr. Daniel proceeded, and said, what he knew of the President's opinions on this subject was from documents emanating from the President's own pen; from the various statements of gentlemen whose veracity could not be impeached, independent of a host of corroborating circumstances. These

nullifying doctrines of South Carolina had thus received the sanction and the advocacy, not only of the former Senator from South Carolina, [Mr. Hayne,] but of the Senator from Tennessee, [Mr. Grundy, who had just advocated the "force bill," in the Senate.] They were approved by the President himself, until, in the downward path of his administration, he had thought fit to abandon every principle which had brought him into power: economy, retrenchment, State rights—all that had formed the watchword of the party—all had vanished into thin air.

For the information of such readers as may not be familiar with the history of that time, it may be here stated, that in the great debate, in the Senate, in 1830, to which reference is here made, it was contended by Mr. Hayne and other administration Senators, that a State was not bound by any decision of the Supreme Court of the United States pronouncing a law of Congress constitutional; and that, in the language of the Kentucky resolutions, "the several States who formed that instrument, [the Constitution,] being sovereign and independent, have the unquestionable right to judge of its infraction; and that a *nullification by those sovereignties, of all unauthorized acts, done under the color of that instrument, is the rightful remedy.*" It was said by Mr. Webster, on the other hand, that the Constitution, and the laws made under it, are declared to be "*supreme;*" and it is declared that the "judicial power shall extend to all cases arising under the Constitution and laws of the United States." These two provisions, he said, cover the whole ground. They are the key-stone of the arch. With these it is a Constitution; without them it is a Confederacy. In pursuance of those clear and express provisions, Congress established, at its very first session, in the judicial act, a mode for carrying them into full effect, and for bringing all questions of constitutional power to the final decision of the Supreme Court. It then became a Government; it then had the means of self-protection.

It may be stated, further, for the information of the same class of readers, that in the proclamation of the President against the nullifiers, the right of nullification and secession was discussed at length, and the ground taken by Mr. Webster in 1830 sustained. Hence the charge of inconsistency against the President and the advocates of nullification at that time, who now supported the "force bill."

The bill was passed by the House, as has been stated, on the 1st of March: Yeas, 149; nays, 48.

The question then being on its title, Mr. M'Duffie moved to strike out its present title, and insert, "An act to subvert the sovereignty of the States of this Union, to establish a consolidated Government without limitation of powers, and to make the civil subordinate to the military power." The previous question was demanded, and the call seconded, 150 to 35. The amendment of Mr. M'Duffie being thus cut off, the question on the title of the bill was carried, and the bill returned to the Senate as it had passed that body.

It will be recollected, that, on the 25th of February, the House had adopted, as a substitute for Mr. Verplanck's bill, to reduce the duties on imports, a bill from the Senate introduced into the latter body by Mr. Clay, since generally denominated and known as "Clay's Compromise Tariff Bill."

It was hoped, probably, by the friends of Mr. Verplanck's bill, that its passage would pacify the South, and prevent the meditated attempt to nullify the revenue laws. Although there were strong doubts of its passage, at that session; yet under the apprehension that at no distant day—perhaps at the next session—a similar bill might pass, suddenly reducing the duties and prostrating the manufacturing interest, and while the "force bill" was yet pending in the Senate, Mr. Clay, on the 12th of February, 1833, introduced his compromise bill, which he explained and supported at considerable length. The bill, he said, had two objects: one was to prevent the destruction of the tariff policy, which was in imminent danger; the other, to avert civil war, and restore peace and tranquillity to the country.

This bill, as finally passed, provided, that in all cases where duties on foreign goods exceeded 20 per cent., the excess was to be gradually deducted by the 30th day of June, 1842, thus: one-tenth of all over and above 20 per cent. to be deducted from and after the 31st of December, 1833; another tenth from and after the 31st of December, 1835; another tenth from and after the 31st of December, 1837; another tenth from and after the 31st of December, 1839; and of the excess above 20 per cent. then remaining, one-half was to be deducted from and after the 31st of December, 1841, and the other half from and after the 30th of June, 1842. It was provided, however, that the duty on coarse woolens costing not more than 35 cents the square yard, which had, by the tariff of 1832, been reduced to 5 per cent., should be first raised to 50 per cent., the same as was charged on other woolens. To the list of articles free of duty were to be added, after the 31st of December, 1833, linens, worsted stuff

goods, and manufactures of silk, or of which silk was the component material of chief value, coming from this side of the Cape of Good Hope, except sewing silk. After 1842, on all goods then free, or paying less than 20 per cent. duty, Congress might, at discretion, impose duties not exceeding 20 per cent.

The act abolished credits on duties, an object which had long been desired by many. All duties were to be collected in ready money. Another important object secured by the bill was a home valuation, which was deemed necessary to prevent frauds by fictitious invoices. The duties were to be assessed upon the value of the goods at the port where they should be entered. These two provisions, however, were not to go into effect until after the 30th of June, 1842.

When leave was asked to introduce this bill, some Senators objected, on the ground that bills for raising revenue—as were all tariff bills—could originate only in the House of Representatives. But it was contended, on the other hand, that this being a bill *to reduce* the revenue, its originating in the Senate was not prohibited by the Constitution.

The principal opposition to the bill was from those distinguished as protectionists. Mr. Webster opposed it, because, in giving up specific duties and substituting *ad valorem*, the protective policy was abandoned. It seemed to surrender the constitutional power of protection. He opposed it because it restricted the future legislation of Congress. After a few of the first reductions, the manufacturers of some kinds of goods would be ruined. Of these goods were boots, shoes, and clothing. Calico printing establishments would be broken up. Woolen establishments could not stand with a duty of 20 per cent. On iron, too, the duty was insufficient. The change from specific to *ad valorem* duties would be injurious. The surrender once made, we could never return to the present state of things.

Mr. Clay, in reply, said: The honorable gentleman apprehended no danger to the tariff. But witness the recent elections—the Message of the President—the opposition of a majority of the friends of the administration to the tariff. The protection afforded by the bill would be ample for several years, during which period manufactures would acquire strength. He was willing the manufacturers themselves should decide the question; many of them, then in Washington, and others from whom he had received letters, had expressed themselves in favor of the bill. They now would

know what to depend on, and could regulate their operations accordingly. He did not fear any misconstruction of the pledge contained in the bill; and he hoped the manufacturers would go on and prosper, confident that the abandonment of protection never was intended, and looking to more favorable times for a renewal of a more effective tariff. Mr. C. also replied to the remarks of gentlemen who would enforce the collection of duties under the existing laws, without making any concession to South Carolina. He said: The opponents of the bill rely on force; its friends cry out, force and affection. One side cries out, power! power! power! The other side cries out, power, but desires to see it restrained and tempered by discretion and mercy, and not create a conflagration from one end of the Union to the other.

On the 25th of February, the debate on this bill was terminated by Mr. Clay, who said the House had just now passed a bill, [it was only ordered to a third reading,] similar, if not identical, in its provisions to the one before the Senate; and it would probably be to-morrow presented to the Senate to sanction. And as it would obviate the reasons for a longer continuance of a laborious day's session, and also supersede the objections of Senators who believed the Senate was not the proper place for the origin of this bill, he moved that the Senate adjourn. Which motion was carried.

The bill was passed by the House the next day, (26th,) and sent to the Senate the same day, where it was the next day, (27th,) ordered to a third reading. On the 1st of March, it was accordingly read the third time, and the question being on its passage, it was, after a debate of several hours, decided in the affirmative: Yeas, 29; nays, 16; as follows:—

YEAS. *Maine:* Holmes, Sprague. *New Hampshire:* Bell, Hill. *Connecticut:* Foot, Tomlinson. *New York:* Wright. *New Jersey:* Frelinghuysen. *Delaware:* Clayton, Naudain. *Maryland:* Chambers. *Virginia:* Rives, Tyler. *North Carolina:* Mangum. *South Carolina:* Calhoun, Miller. *Georgia:* Forsyth. *Kentucky:* Clay, Bibb. *Tennessee:* Grundy, White. *Ohio:* Ewing. *Louisiana:* Johnson, Waggaman. *Illinois:* Robinson. *Mississippi:* Black, Poindexter. *Alabama:* King, Moore.

NAYS. *Massachusetts:* Silsbee, Webster. *Rhode Island:* Knight, Robbins. *Vermont:* Prentiss, Seymour. *New York:* Dudley. *New Jersey:* Dickerson. *Pennsylvania:* Dallas, Wilkins. *Maryland:* Smith. *Ohio:* Ruggles. *Indiana:* Hendricks, Tipton. *Missouri:* Benton, Buckner.

In the House, the bill had been passed by a vote of 121 to 84, as follows:

*Maine:* Yeas, 6; nay, 1. *New Hampshire:* Yeas, 4; nay, 1. *Massachusetts:* Nays, 13. *Rhode Island:* Nays, 2. *Vermont:* Nays, 5. *Con-*

*necticut:* Nays, 6. *New York:* Yeas, 11; nays, 19. *New Jersey:* Nays, 6. *Pennsylvania:* Yeas, 4; nays, 21. *Delaware:* Nay, 1. *Maryland:* Yeas, 9. *Virginia:* Yeas, 20; nay, 1. *North Carolina:* Yeas, 13. *South Carolina:* Yeas, 9. *Georgia:* Yeas, 6. *Kentucky:* Yeas, 12. *Tennessee:* Yeas, 9. *Ohio:* Yeas, 7; nays, 6. *Louisiana:* Yeas, 3. *Indiana:* Yeas, 2; nay, 1. *Illinois:* Yea, 1. *Mississippi:* Yea, 1. *Alabama:* Yeas, 3. *Missouri:* Nay, 1.

From the above it appears, that the New England States, except Maine and New Hampshire, voted unanimously against the bill; as also New Jersey, unanimously, and large majorities of New York and Pennsylvania; and that the principal support of the bill was from the Southern and Western States. It is evident, from the large majority in favor of the bill, that many must have voted for it as a measure of conciliation

The nullifying acts of South Carolina were to go into effect the first of February, 1833. But at a meeting of the State Rights and Free Trade party, held in Charleston in January, it was declared that, as there were indications of a beneficial modification of the tariff, [alluding to Verplanck's bill,] these indications should be met by corresponding dispositions on their part; and they therefore resolved to suspend hostile operations. An additional inducement to such suspension was found, a few days afterward, in the action of the State of Virginia, which assumed the office of *mediator*. Governor Floyd, on the 13th of December, 1832, sent to the House of Delegates a message on the subject of the South Carolina ordinance and the President's proclamation, calling attention to the same. After a very protracted debate, resolutions were adopted, [January 26,] requesting South Carolina to rescind her nullifying ordinance, or at least to suspend its operation, until the close of the first session of the next Congress; requesting Congress gradually and speedily to reduce the revenue from duties on imports to the standard of the necessary expenditures of the Government; and reasserting the doctrines of State sovereignty and State rights as set forth in the resolutions of 1798, which neither sanctioned the ordinance of South Carolina, nor countenanced all the principles of the proclamation, many of which, they said, were in direct conflict with them. It was also resolved to appoint a commissioner to proceed to South Carolina, with the resolutions, and to communicate them to the Governor to be laid before the Legislature; and to expostulate with the public authorities and people of that State for the preservation of the peace of the Union. Benjamin Watkins Leigh was ap-

pointed to the mission, and reached Charleston on the 3d of February.

The object of the interposition of Virginia was accomplished before the arrival of Mr. Leigh in South Carolina. Governor Hayne, in answer to the communication by Mr. Leigh, conveying the request of the State of Virginia, said, as soon as it was known that that State had taken up the subject in a friendly spirit, and that a bill for the modification of the tariff was before Congress, it was determined, by common consent, to suspend the operation of the ordinance until after the adjournment of Congress. The passage of the compromise tariff act, though not altogether acceptable, was, however, accepted as furnishing an ostensible reason for retreating from the position which the State had assumed. The Convention reassembled on the 11th of March, at the call of the Governor; and the nullifying ordinance was repealed on the alleged ground of the modification of the tariff, and the friendly disposition of the State of Virginia. Severe denunciations, however, were uttered against the enforcing act of Congress. It was pronounced a "broad usurpation;" and so far as its authority extended, it "changed the character of our Government into a military despotism."

There were several other States, besides Virginia, which sympathized with South Carolina, and from which the latter had probably expected coöperation. But there was, even in South Carolina and Georgia, a party of considerable strength, opposed to nullification and secession, called the "Union party," or "Union and State Rights party." Meetings of this party also were held, disapproving the course taken by South Carolina. Indeed, three of the South Carolina Representatives in Congress, [Blair, Drayton, and Mitchell,] voted for the "force bill." They were denounced by the nullifiers, as "natural wretches"—"miscreants"—for having voted for the "bloody bill." The nullifiers, as was by many anticipated, claimed the honor of a triumph.

# CHAPTER XII.

State of the country. Tariff bill reported by Mr. Fillmore from the Committee of Ways and Means. Bill debated. Also a bill from the Committee on Manufactures. Passage of the former.

Although there was for several years after the passage of the compromise act of 1833, no general agitation of the tariff question, that act was far from being satisfactory to the friends of protection. A disposition seemed to prevail to leave it undisturbed so long as the operation of it was endurable, or until the year 1842, when the lowest point of reduction should be reached. But perhaps a stronger reason for not attempting an earlier revision of the tariff, was the fact, that protection had become a party question. The opposition to Gen. Jackson, embracing the National Republicans and Anti-Masons, who had united soon after his second election and the passage of Mr. Clay's compromise act, under the name of Whigs, had adopted the protective policy as a party measure; and as that party was in the minority in both houses of Congress, any efforts to revive that policy would have been fruitless. The Northern Democrats, who had for years supported the tariff, had, with few exceptions, abandoned the measure, and united with its opponents at the South, thus forming a successful opposition to it.

The depressed condition of the country, attributed to the joint operation of the tariff act of 1833, and the financial policy adopted by President Jackson, and continued by Mr. Van Buren, produced a change in public sentiment which brought the Whigs into power after the election of 1840. With the election of Gen. Harrison as President, the Whigs also secured small majorities in both Houses of Congress. It was expected, therefore, that an attempt would be made to procure the passage of a new tariff law by the incoming administration.

President Tyler, in his Message, in December, 1841, called the attention of Congress to the subject of the tariff. He had, as Senator in Congress, as the reader will recollect, opposed

former tariffs. How far, if at all, his anti-tariff views had been changed, when nominated by the Whig party as a candidate for Vice President, was perhaps not generally known. He admitted the right of Congress, in imposing duties for revenue, to discriminate as to the articles on which the duty shall be laid, for the purpose of encouraging manufactures. He recommended, however, the exercise of the power in a spirit of compromise and conciliation; and also that the duties should not be so augmented as to annul the land proceeds distribution act of the preceding session.*

Several kinds of manufactures were languishing from the want, as was supposed, of adequate protection; and a material augmentation of the revenue had become necessary to supply the wants of the Government. Whatever difference of opinion may have existed as to the necessity of additional protection to manufactures, some measure, it was universally conceded, was necessary to increase the public revenue; and as it was contrary to the general policy of the Government to resort to direct taxation to replenish the treasury, Congress adopted the alternative of a revision of the tariff.

Numerous petitions were presented to Congress for additional protection to several branches of manufactures; and others for a general revision, or for what they called a "protective tariff" in the place of the compromise act of 1833. Resolutions, also, from several of the States were presented, requesting such a revision of the tariff as should furnish sufficient revenue, and afford protection to American industry.

An incidental debate on the tariff occurred at a very early part of the session. Mr. Fillmore, of New York, on the 16th of December, offered the usual resolutions referring to the appropriate Committees the different parts of the President's Message. On the reading of the resolution to refer so much of the Message as related to the tariff to the Committee on Manufactures, Mr. Atherton, of N. H., said he supposed a tariff was to be laid for revenue, and not for protection: he therefore moved to strike out Committee on Manufactures,

* In pursuance of a proclamation issued by President Harrison before his death, a special session of Congress was held in May, to consider the subjects of the finances and the currency. An act was passed, at this session, to distribute among the States the proceeds of the sales of the public lands; subject, however, to the condition, that the duties established by the compromise tariff act of 1833, were not to be increased; and that if the duties should be increased by Congress, the distribution was to be suspended until the cause of the suspension should cease.

and insert Committee of Ways and Means. A debate ensued, in which the principle, and, to some extent, the constitutionality of a protective tariff were discussed, and which continued until the 3d of January, when, by a vote of 95 yeas to 104 nays, Mr. Atherton's amendment was rejected, and the resolution, somewhat modified, was adopted.

In consequence of delays in obtaining the necessary information on which to base their report, the Committee on Manufactures did not make their report until the 31st of March, 1842. The report stated, that the estimated expenses of the Government for the current year, were about $26,000,000; which would leave a deficit of about $14,000,000. Such were the prospective demands upon the treasury—increased by the enormous expenses of the Florida war, which was not yet terminated—that some permanent provision for an increased revenue was indispensable. The Committee presumed the effect of the derangement of the currency, State and individual indebtedness abroad, the depressed price of cotton and all our principal articles of produce, and the general stagnation of business, would be to lessen importations. The 20 per cent. duties to be collected after the 30th of June next, under the tariff of 1833, would not yield a revenue exceeding about $15,000,000.

The Committee being of the opinion that specific duties afforded the best security against frauds, which opinion was confirmed by that of intelligent merchants and manufacturers, these duties had been to a great extent retained by the bill. The provisions of the bill were stated by the Committee, as follows:

1. A general *ad valorem* duty of 30 per cent., with few exceptions, when the duty is on that principle.

2. A discrimination is made, for the security of certain interests requiring it, by specific duties, in some instances below, in others above, the rate of the general *ad valorem* duty.

3. As a general principle, the duty on the articles subject to discrimination, is made at the rate at which it was in 1840, after the deduction of four-tenths of the excess over 20 per cent. under the act of 1833. Many departments of industry were successful under this reduction, which could not bear the great reduction of January last, and which would be overwhelmed under the full operation of that act.

The Committee, by Mr. Saltonstall, of Massachusetts, Chairman, expressed, at great length, their views in relation to the encouragement of domestic industry. A few extracts from the report are here given:

"All the great interests of the country are now in an extremely depressed condition; every branch of industry is paralyzed. How is it that, in a time of profound peace, with a country abounding in natural resources, and blessed by Heaven beyond any other people that ever existed, the voice of complaint should come up from every part of the land?

"There are several causes for the present depression of property, and general stagnation of business, one of which will be admitted to be the large amount of our importations over the amount of exports. This depresses our home industry, and draws from the country annually large balances in specie, crippling our banks, and depriving them of the power to grant the necessary facilities. The same causes produced the exhaustion of our resources and the embarrassment which were the principal cause of the adoption of the Constitution. As is stated in the very able petition from Windsor County, Vermont, 'from 1783 to 1789, the trade of the thirteen old States was perfectly free to the whole world. The result was, that Great Britain filled every section of our country with her manufactures of wool, cotton, linen, leather, iron, glass, and all other articles used here, and in four years she swept from the country every dollar and every piece of gold,' &c.

"In the last term of Gen. Jackson's administration, the imports exceeded the exports each year, making an excess of $129,681,397. The excess of imports during the three first years of Mr. Van Buren's administration, was nearly $70,000,000. In 1840, for the first time for ten years, there was an excess of exports. In 1841, the imports exceeded the exports about $3,000,000.

"A tariff of duties which, while it will supply the necessary revenue, will check excessive importations, and prevent the flow of specie abroad for the payment of large balances, will do much to restore the prosperity of the nation. . . . And why should we not rely more upon ourselves and our policy? All the great nations of Europe are protecting their own industry, and encouraging their own manufactures, to an extent before unknown. France, Prussia, the German States, and even Russia, are making rapid advances in manufactures, under a system of rigorous restrictions.

"England imposes prohibitory duties on all articles she can raise or manufacture. This is her settled policy. Should an insufficient tariff, with her vast surplus poured in upon us, break down our establishments, and we again import our

cotton, woolen, and other manufactured goods, what would she receive in return for them? With what could we pay her? She will not take from us our wheat and corn, unless her population is in a starving condition, because they will interfere with her own agricultural interests. The products of our fisheries and our forests will find no admission there, because she must encourage her own fisheries and her colonial timber trade. She will take a few thousand hogsheads of tobacco, but charged with a duty and excise ten times its original cost, and thus yielding a twelfth part of her revenue from imports. She will not take from us any article of the growth, produce, or manufacture of this country, except our cotton, which has become essential to her cotton manufactures—that branch of her industry which is now essential to her national wealth and power—and she is straining every nerve to become independent of foreign nations for this.

"A departure from that policy under which duties on imports have been so arranged as to encourage domestic industry, it is feared, would be most disastrous. Foreign nations would flood this country with their productions, and destroy our manufactures, by depriving them of the home market.

"Those opposed to discriminating duties, with reference to the preservation of particular interests, however important, object, that the system taxes the public for the benefit of one class, or the many for the benefit of the few. Is it so? Every other great branch of business has a direct interest in the prosperity of the manufacturing and mechanic arts. The commercial interest is intimately connected with the manufacturing; the exports of manufactured articles having become an important item in the whole amount of exports. That national policy which encourages enterprise, which protects every branch of industry, and which develops the resources and increases the productions of the country, must increase our commercial prosperity. Manufactures are also of immense importance to the coasting trade. . . . We call it *coasting trade*. It is a great commercial and navigating interest. It is such an internal commerce as was never before enjoyed by any nation, now employing an immense tunnage, and many large ships, like those between Boston and New York, and New Orleans—making voyages equal in length, and of equal importance, to those across the Atlantic.

"The agriculturists have the greatest interest in the pros-

perity of manufacturing and mechanical labor. A change of policy which should break these down, would deprive them of their best markets. Wherever manufacturing establishments are located, villages spring up around them; and their effects are immediately seen in the increased value of land in the vicinity. Perhaps it would not be extravagant to state, that the establishment of manufactures had added an amount to the agricultural wealth of the country, equal to the capital employed in manufactures. Few are aware of the extent of the demand for agricultural produce, for the supply of a single manufacturing establishment."

In illustration of this, the Committee presented a statement of Peter H. Schenck, of Fishkill, N. Y., made by him to the Committee, and given as a part of his testimony on the subject of manufactures. Mr. S. was a large proprietor of the Glenham Wool Factory, in Dutchess County, N. Y. The capital said to have been employed in this single factory, was $140,000, by which a market was furnished for the products of that county to the amount of $116,000; consisting of fleece wool, soap, teasels, and firewood, $76,281, and $40,000, the wages of operatives. The labor of 170 operatives, alone, supported not less than 500 persons, who consumed, weekly, of agricultural products, not less in value than $200 in beef, pork, flour, butter, eggs, milk, cheese, &c., equal to $10,400 a year.

To produce the 173,000 pounds of wool consumed by the factory, would require 66,000 sheep; the value of which, together with the value of the land, 22,000 acres, to support them, and the 500 persons supported by the labor of the 170 operatives, and for certain other supplies, would require an agricultural capital of $1,422,000.

The Committee showed the inequality of the tariff of the United States and the tariffs of some other countries. On American products for which we received in Europe, $91,000,000, there were levied duties to the amount of $113,000,000; while on European products of the value of $73,000,000, the duties amounted to only $17,000,000. Tobacco, unmanufactured, was subject to a duty, in England, of about 75 cents a pound, or upwards of 1,200 per cent. In France, it was about $1 a pound, or more than 1,600 per cent. In Austria, 100 per cent.; and in Prussia, about 50 per cent. On tobacco of the value of $9,225,145 sent to certain countries of Europe, the duties were $32,463,540!

The report further says:

"A well regulated tariff, on a scale sufficient for the wants of this Government, is the only effectual remedy for the evils the Government and the people are now suffering. It will inspire confidence throughout the country. It will again set every wheel in motion. It will improve and enlarge the currency. It will send out its life-giving influence to the extremity of the Union, and give vigor and activity to the whole system.

"The bill provides for a duty on sales at auction. This will yield something to the revenue; but the great object is to check the flooding of our markets with goods, the surplus and often the refuse of foreign manufactures, sent here on foreign account, to be sold at once for what they will bring, to the injury of our own importers and manufacturers, with orders to remit the proceeds in specie immediately. This evil has long been a subject of complaint; and a duty on auction sales has heretofore been recommended as a remedy. In 1832, Mr. McLane, Secretary of the Treasury, sent a draft of a bill to the House for that purpose. In the opinion of many persons who have testified to the Committee, or communicated with them in writing, it is of the utmost importance. Mr. Schenck says: 'It is the surplus of the foreign manufactures, thrown suddenly into our market, and disposed of at auction, that does the greatest injury to our cotton and other manufactures.'"

The bill of the Committee on Manufactures was reported on the 31st of March; but the consideration of it was long delayed, awaiting a counter report from the minority of the Committee.

On the 9th of May, the Secretary of the Treasury, Mr. Forward, in answer to a request from the Committee of Ways and Means of the 26th of February, and in obedience to a resolution of the House of the 29th of March, to communicate a "plan for raising the necessary amount of revenue for defraying the expenses of Government by an increase of duties on importations," &c., made a report, accompanied by "a bill to provide revenue from imports, and to change and modify existing laws imposing duties on imports, and for other purposes." This bill, on motion of Mr. Fillmore, Chairman of the Committee of Ways and Means, was, on the 12th of May, referred to that Committee, and, on the 7th of June, committed to the Committee of the Whole. The next day, Mr. Saltonstall moved, in Committee of the Whole, to proceed to the consideration of the tariff bill previously reported by him from

the Committee on Manufactures; when, on motion of Mr Fillmore, the bill reported by him was taken up, Mr. Saltonstall's motion having been rejected.

The bill from the Treasury, though not prepared without some reference to protection, was more particularly a revenue bill, revenue being its principal object. The duties imposed by the two bills on some of the more important articles, are as follows:

Mr. Saltonstall's bill charged upon unmanufactured wool costing 8 cents a pound, or less, a duty of 4 cents and 26 per cent. *ad valorem*. Upon other wool, 30 per cent. Upon woolen manufactures, subject by any former act to a duty of 50 per cent., a duty of 40 per cent. Upon broadcloths generally, 30 per cent. Upon cotton cloths, not dyed, colored, or printed, 30 per cent., provided that all cloth not exceeding 20 cents in value should be deemed to have cost 20 cents a square yard.

Upon iron in bars or bolts, not manufactured by rolling, $17 a tun; made by rolling, $22; in pigs, $8.

Upon window glass, $2 40 to $2 56, per 100 feet.

Upon brown sugar, 2 cents a pound; refined sugars, 6 cents; molasses, 5 cents per gallon.

Upon hemp, unmanufactured, $40 per tun.

Mr. Fillmore's bill proposed upon coarse wool costing 8 cents a pound or under, 3 per cent. *ad valorem;* other wool, 30 per cent. Upon manufactured wool, except carpeting, blankets, hosiery, worsted stuff goods, &c., 40 per cent.

Upon cotton, 3 cents per pound; cotton cloth, undyed, 35 per cent.; all cloths costing not over 25 cents the square yard, to be estimated at that price, and charged accordingly.

Upon iron, unmanufactured, $18 per tun.

Upon hemp, unmanufactured, $40 per tun.

Mr. Fillmore addressed the House (in Committee of the Whole) at length, in support of the bill reported by the Committee of Ways and Means. He explained the bill, and showed its probable effect upon the revenue. He then proceeded to consider the subject with reference to the incidental protection of our own industry. He was not one of those who professed to be indifferent to our own interests. In reference to protection, he admitted that duties might be so laid for protection, that, if carried out, the consequence must be prohibition and the loss of revenue. He was for no such protection as that. He believed that if all the restrictive system were done away with, here and in every other coun-

try, and they could confidently rely on enduring peace, that would be the most prosperous and happy state; they would produce what they could, and sell it where they could buy the cheapest. But although this as a theory was beautiful, yet when they came to reduce it to practice, there were exceptions to this rule, and such as ought not to escape observation.

It was said by those in favor of free trade, that, by protective duties, preference was given to those engaged in manufactures over those who were not. This was not the case. If a duty on cotton cloth rendered the manufacture of it profitable, not only A. and B., but the whole alphabet, from A. to Z., might engage in it; and the competition would then be so great, that it would be no more profitable than any other business.

Mr. F. mentioned, as one of the objects of protection, independence and security in time of war. Protection was given in such case to favor no one more than another. The manufacture was open to all. We protect not a class of men, but an article of consumption, and that in order that the country may have it in the day of calamity. In such case it was proper to discriminate in the imposition of duties.

Another case was that in which foreign legislation excluded our products from foreign markets. The people of this country are desirous of continuing their agricultural occupations, and supplying themselves with what they want from other countries. But Great Britain, while she is willing to send them any quantity of her manufactures, refuses to take any one of their agricultural products in return. What is to be the consequence? Must they continue to produce grain, only to rot in their barns, while they have to pay specie for all the manufactures they import from England? No, sir, no. Here is a case in which it is the duty of the Government to interpose, and to meet restriction by restriction, not in a spirit of resentment or ill will. Great Britain has only exercised a natural right, a sovereign right, which belongs to her as an independent nation. We pass countervailing duties, not as a punishment, not as an act of hostility, but merely for our own protection—merely that some of our people who had raised corn and wheat and cattle, may engage in manufacturing iron, and cloth, and other articles, that there may be a home market for those who continue to raise grain.

But, though duties were laid for revenue, discrimination

was necessary. A high duty on articles of small bulk and great comparative value, can not be collected. What duty can you collect on a watch, for example, or on the minute parts of watch machinery? They can be so easily concealed about the person, and in various ways, that you can not prevent smuggling them. Hence, on very small and costly articles, all nations exact low duties to take away the temptation to evade the law.

There is another reason for discriminating duties. Upon articles of those kinds which are produced in our own country, we can not impose very high duties; because that would so enhance their cost, that the home product would banish them entirely from the market, and the duty, being prohibitory, would yield no revenue. It would operate as a premium upon production, and the government would get nothing from the duty.

We see on the other side of the water, a very strange political phenomenon: it is the leader of the British House of Commons, declaring himself in favor of *free trade*, and against imposing any duty over 20 per cent. It reminds me of the language of Solomon, who, after all the excesses of a life of pleasure, cries out, "All is vanity!" Great Britain has carried the protective system so far, and practiced it so long, that her home market is fully supplied; and now, forsooth, she pretends to great merit in reducing duties which can not be collected. But mark the caution with which Sir Robert Peel speaks of the duty on sugar. He said he would not explain the reason of the duty on that article. The reason is obvious enough: the climate of England is too cold to produce the sugar beet; it does not therefore come in competition with any of her own products, and can not become prohibitory; so it may be taxed to any extent. Look at the official report, and you will see that Great Britain, in 1840, raised the sum of £22,000,000 sterling, being more than one-half of her whole revenue, from four articles, wines, tea, tobacco, and sugar, not one of which she can herself produce. Could either of them have been produced at home, does any one believe her people would submit to have their price raised by a tax of ten times their value? It was only because the ministry knew that the articles could not be raised in England, and that the vitiated taste of luxury would have them at any cost. On this principle it was necessary that there should be a discrimination as to articles of home production, that the duty may be so placed, that, while it does

not exclude foreign competition, it may produce as much as possible to the Government: in a word, at the point where our own products and those from abroad may exist together in the same market, and by a competition produce the greatest amount of revenue, and the lowest cost to the consumer. It is a difficult thing in practice to find that precise point in regard to each article; but the doctrine is theoretically true: such a point must exist.

Mr. F. examined the two modes of imposing duties, the *ad valorem* and the specific: one looking to value, the other to quantity. The former would seem to be most conformable to justice, if the real value could always be ascertained. But this had been found impracticable. Men's opinions differ as to the quality or value of articles. To a "home valuation" there was the objection, that an article in one port may have one value, and in another a higher or lower value; and therefore the duties would not be uniform, as the Constitution requires them to be. He admitted that there was also force in the objection to specific duties, that an article of an inferior quality and low price, should be subject to the same duty as a better and more valuable article. Therefore, to avoid the frauds incident to *ad valorem* duties, the Committee had been induced to impose specific duties wherever it was possible.

The Secretary of the Treasury had recommended the payment of duties in cash, without credit; and the Committee had to a great extent adopted the system. This would prevent the European manufacturer from getting rid of his surplus stock by throwing it into our auction rooms, while he is getting a credit at the custom-house, and thus injuring all fair trade. Besides, by giving credit on duties, the Treasury had lost 7 millions. Why should the Government run such risk, unless it was our policy to encourage excessive importations? This he did not approve. He thought our importations had been vastly too great, and had involved us in a debt which pressed heavily on the nation.

Mr. F., however, was in favor of a modified warehousing system. The Secretary of the Treasury had not had time to examine the subject, and therefore had not made it a part of his plan. This system had existed in Europe many years. Its introduction into England was attempted about a century ago, but without success. The first successful attempt was made in 1803, when it was adopted by the British Government, and has been practiced ever since. The warehousing system is a provision for lodging imported articles in ware-

houses, until they are taken out for home consumption. If they are reëxported, no duties are ever paid. Or, if they have been paid, they are remitted on the reëxportation of the goods. The scheme, Mr. F. said, had worked well in England. It was introduced in this country, in 1798, or earlier, and has been in use ever since in reference to teas and some other articles. He mentioned some objections to which it might be considered liable. He hoped, however, that the Committee on Commerce would report a bill presenting a matured plan. The present bill contained something as a substitute for it. It allows goods imported from beyond the Cape of Good Hope to remain in store ninety days before the duties are exacted.

Mr. F. said he must, before concluding, say a few words touching the item of wool, in the clause now under consideration. The duty before had been 40 per cent. *ad valorem*, and 4 cents a pound, on wool costing more than 8 cents; but this had been coming gradually down under the compromise act. He had had some trouble in finding the amount of importation under the high duty. There was a difference between wool and many other articles. Wool being produced by great numbers of people spread through many States, there can be no combinations to keep up its price, as has been sometimes done in the case of other articles, where the producers have been confined within a narrow space. The price of the article, therefore, is regulated by the fixed law of demand and supply; and we should put the duty as high as we can, without making it prohibitory. The duty was reduced by the bill to 30 per cent. *ad valorem* and 4 cents a pound specific duty. It was due to the producer that the highest duty should be imposed which could be realized without injuring the manufacturer; but it should not be put so high, that the manufacturer could not buy; this would break up the manufacture, and in the end ruin the woolgrower, by destroying his market.

Mr. Saltonstall moved to amend the bill by striking out all after the enacting clause, and inserting the bill reported by the Committee on Manufactures. Mr. S. spoke of the condition of the Treasury, and of the state of the credit of the country. Who could think of it without mortification? This vast country, with its boundless resources, found it difficult to hire money at 6 per cent., while Great Britain, encumbered with a debt of thousands of millions of dollars, with an annual expenditure of $300,000,000, and the interest of her

debt near $150,000,000, was able to hire money at 3½ to 4 per cent. As to the causes of this, it was unnecessary to remark. Who doubted that if either of these bills should pass into a law, the credit of this country would at once be restored? It was therefore necessary that there should be action on the subject of the tariff. The wants of the Treasury and of the people alike required a thorough revision of the tariff.

Mr. S. referred to the condition of the country. It was depressed. Every branch of industry was paralyzed, and every kind of business was in a state of stagnation. The whole country felt the depression. Their tables were laden with hundreds of petitions; and they came not from any one interest alone; they were from the manufacturing, the great mechanical, the commercial, and the agricultural interests. This very morning a petition had been presented, signed by six or seven hundred citizens of old Virginia, asking for a tariff which might operate incidentally for the protection of domestic industry.* As to the state of public opinion, a vast advance had been made since they came here. At the commencement of the session, it appeared that it was thought in some quarters that we were to struggle along under the compromise which made these gradual reductions of one-tenth, and was to strike the final blow on the 30th of June. But now, how was it? A close observation had satisfied members that the good of the country required a revision of the tariff, and a rate of duties imposed which should supply the wants of the Government, and at the same time operate to the protection of the vast interests now put at hazard.

Since 1834, said Mr. S., there had been a deficit in the revenue from customs towards meeting the expenditures of Government, of $53,000,000. In 1834, there was a deficit of $2,000,000. In 1836, one of $3,000,000. The next year there was a still greater deficiency; and in 1838, the receipts from customs were $16,000,000; while the expenditures were $31,000,000; and so from that time to this. Yet nothing had been done to check the course of expenditures, or to supply the deficiency in the revenue. . . . How much

*A petition had been previously presented, signed by 9,094 citizens of Baltimore, without respect to party, praying for such an adjustment of the tariff as would protect domestic industry, and for a system of countervailing duties in relation to those nations that had excluded our products. The petition was said to be 56 yards in length.

revenue, then, was to be raised? We were obliged to raise at least the sum stated in the report of the Committee on Manufactures, $26,000,000, or $27,000,000. The Secretary of the Treasury had estimated the amount which his bill would raise, at $27,000,000.*

What amount would be raised under the present laws? The Secretary of the Treasury told them $15,600,000. Mr. S. thought that amount too large. It was thought the importations would be greatly reduced, first, because of the uncertainty as to the tariff, which operated to check commercial adventures, and then the great over supply of all articles of importation from Europe and the East Indies now in market. The state of the country also would greatly affect it. How were we to pay for the importations? Heretofore we had received $150,000,000 on credit. There was no more to be received in this way; but we had and ought to pay the interest on this, which would probably amount to some 6, 8, or 10 millions a year.

Mr. S. noticed the compromise act. If the framers of that act could have contemplated such a state of things as we now beheld, and as had existed for several years past, they never would have adopted that act. The annual expenditures were estimated by the Chairman of the Committee of Ways and Means, at $11,000,000; and the highest estimate was $18,000,000. Did any man who voted for that act dream that in the course of seven or eight years the expenditures would go up to $30,000,000 and upwards?

With respect to the operation of that act upon the industry of the country, he said, owing to a state of things that did not exist at the time of its passage, its effects had been most unfortunate and disastrous. It appeared from many of the petitions from various interests, that they were in the last trial in the crucible to show whether they could live or not. They showed the manner in which the iron establishments had gone out; that the glass works had been reduced two-thirds; and so he might go on through the different branches.

What interest was more important than that of coal, which, by the blessing of Heaven, we found from one end of the

*The correctness of this estimate is somewhat remarkable. Notwithstanding the usual prediction that the proposed increase of duties would, by checking importations, diminish the revenue, the average net revenue from customs for the years 1844, 1845, and 1846, was $26,807,763.

country to the other? Should it remain in the earth because coal could be imported cheaper? Let him show a statement from Virginia on this subject. In 1822, there were sent to market 1,350,000 bushels. In 1833, it had increased to 4,000,000 bushels. And in 1841, it had been reduced to 2,000,000 bushels. In another column it is shown that the importation of foreign coal had swelled up from 966,644 bushels to 5,000,000 a year, under the operation of the deductions of this compromise act. And it was stated, that if the duties were brought down to 20 per cent., it would be impossible to continue the business. He had come to the conclusion that a 20 per cent. duty would be wholly insufficient to produce sufficient revenue, and fatal in its effects upon many of the great interests of this country.

In what manner, then, should duties be levied? To avoid the frauds practiced under the *ad valorem* system, and the consequent injury to the manufacturers from their being deprived of the protection which the laws were intended to afford them, specific duties were to be preferred. The manufacturers generally preferred a specific duty equivalent to 30 per cent. to an actual *ad valorem* duty of 30 per cent. In this our merchants concurred. Mr. S. here read from a report of persons who had been authorized to make an examination at the New York custom-house.

"In assessing duties by any system of valuation, so much depends upon the erring judgment of men; so great and frequent are the changes in the character, description, and value of goods, and so liable are men to be misled by local interest, partiality, prejudice, or intentional deception, that any system of *ad valorem* duties seems to be liable to insuperable objections.

"The question naturally presents itself: 'What system can be adopted which will obviate these objections, and better accomplish the great objects of establishing uniformity and preventing fraud in the collection of import duties?' To this question we unhesitatingly answer: 'A system of specific duties on all articles susceptible of being so described and classified as to render the duty certain, and the rate of duty approaching to uniformity in reference to the value of different articles, so far as such uniformity may be considered important.'"

The experience of other nations, continued Mr. S., was not to be slighted on a question like this. Their duties, it was well known, were specific. In Sir Robert Peel's bill lately

introduced into Parliament, the duties were almost entirely specific. This was the result of the experience of the greatest commercial nation on the globe. The mode prevailed in France, Russia, Germany, and everywhere. Should we then run atilt with an experiment contrary to the experience of the Secretary of the Treasury, the collectors of customs, the manufacturers, and every one conversant with this subject?

Mr. Habersham, of Georgia, had moved to amend the amendment by inserting, in lieu thereof, the bill which had heretofore been reported by him from the minority of the Committee on Manufactures.

Mr. H. said, one of the most objectionable features of this bill was that of the specific duty and the minimum principle. He would submit to the Committee the opinion of the venerable gentleman from Massachusetts, [Mr. Adams,] on this subject, whose opinions were deliberately formed, and expressed, and communicated to this House some ten years ago, as Chairman of the Committee on Manufactures. That gentleman's report said:

"The Committee, after a full and deliberate consideration of the arguments submitted to them by several of the most eminent of the manufacturers, concur with the Secretary in the opinion, that the system of graduated minimums upon the manufactures of woolens, ought to be abolished. This system appears to a majority of the Committee to constitute the greatest and most reasonable objection of the South against the existing tariff. It must operate necessarily in one of two ways: either as a prohibition upon the import of all the articles included between the rates of the respective minimums, or by levying a duty upon the articles of different value far higher than that apparent upon the face of the law, and thereby effecting an artificial inequality between the burdens imposed upon articles of the same kind and the same value, and an equality of burden alike unnatural upon articles of different value, but of the same kind."

Again, the gentleman, referring to the minimum principle, in his report, said: "It appears to be impossible that the practical operation of such a system should not be unjust; and it contains within itself the seeds of those frauds upon the revenue of which there have been such heavy complaints on the part of the American manufacturers."

Now what was the fact in relation to that? The Chairman of the Committee of Ways and Means, the Chairman of the

Committee on Manufactures, and the Secretary of the Treasury, maintained ground directly the opposite to this report. Here was the allegation by the gentleman from Massachusetts, that this very minimum principle contained within itself the seeds of the frauds committed on the revenue, and yet they were called on by these gentlemen to adopt these very minimums and specific duties for the purpose of *preventing* frauds on the revenue. He told the gentlemen the truth, whether they knew it or not, and whether they were actuated by that motive or not, that the object of these minimums was not to prevent frauds, but to afford a disguised protection to manufactures. For instance, under this system, a yard of cotton cloth costing 6 cents, would be rated as worth 20 cents, and pay a duty of 30 per cent. on 20 cents, which would subject it to a duty of 100 per cent. That was one instance, and there were a hundred in the bill, in which the real duty was disguised in like manner, and where the lower article was charged with a duty of 100 per cent., while the higher quality was brought down to 30 per cent.*

Mr. H. thought the remarks in the report of the gentleman [Mr. Adams] were as applicable to specific duties as to minimums. [Mr. A. had said nothing against specific duties.] He would cite as evidence, the specific duty on sugar. There was no discrimination in this article between the higher and lower qualities; they both paid the same duty. He would also mention the article of flannel, all qualities being charged the same per yard, the very coarsest being subject to a duty of 100 per cent., while the finest paid perhaps only 30 per cent. He also referred to the article of carpeting. A carpet which cost comparatively nothing, was subject to a greater taxation, in proportion to its cost, than the rich Turkey or ingrain carpetings which were found on the floors of the owners of the manufactories.†

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* Mr. Habersham probably did not mean to assert what an uninformed reader might infer from his language, that the consumer of the cotton cloth actually paid 100 per cent. duty in addition to its original cost or value. Cotton cloth of a fair quality was actually sold, under this very tariff, for 6 cents a yard, a price no higher than the amount of duty by which it was protected. Although the minimum principle is in some cases and to some extent liable to the objections above stated, it was under this principle that effectual protection was given to the manufacture of coarse cottons, and subsequently to other manufactures, and the prices reduced to the lowest possible rates. The operation and supposed advantages of this principle have been stated in preceding chapters.

† The remarks in the above note relating to cottons, are equally

Mr. H. referred to the opinions of an eminent and leading English statesman, Sir Robert Peel, who held that the system of laying duties for the protection of one class of labor, was destructive and oppressive to all, and had therefore proposed a reduction of all duties, and said the highest duty that should be imposed on manufactured articles, was 20 per cent. And yet we are told that the allowance of 25 per cent. by the bill which he [Mr. H.] had proposed, was insisting on the free trade principle!

The concluding remarks of Mr. H. are entitled quite as much to the consideration of the people of the South as to those of the North. Had they from the beginning adopted and pursued the course suggested by Mr. H., we should have heard little of Northern interests and Southern interests as conflicting with each other. The establishment of manufactures there would have materially diminished the disparity in the wealth of the two sections of the Union.

Mr. H. said that the low price of cotton would force the people of Georgia and South Carolina to divide their labor, and throw a portion of it into other employments than the raising of cotton. The lands of these States could not compete with the more productive lands of Alabama, Mississippi, Louisiana, and Arkansas. Lands which yielded only 1,000 to 1,200 pounds to the acre, could not compete with lands and a climate which yielded from 1,800 to 2,000 pounds, with the same amount of labor. In those two States, there must of necessity be a division of labor, and a portion of it must be turned to raising their own bread, hogs, and horses, and to the coarser quality of cloth, and to that of iron and other articles of primary necessity. As the extensive and rich regions of Texas were opened for the culture of cotton, other Southern and South-Western portions of the Union would be placed in a like situation with South Carolina and Georgia; and in that event, what would become of the market for the wheat, the hogs, and the horses of the Western States? and what would become of the market for the manufactures of the North and East? There is no foreign market for either; nor can there be found a market abroad for the domestic manu-

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applicable to flannels. The truth is, the lowest priced flannels would not be imported under the duty; the consumer being supplied with the domestic article, and at a price nearly or quite as low as that of the foreign, free of duty. As to sugar, the bill did as previous acts had done, impose upon refined sugars a duty of double the amount of that upon brown or raw sugar.

factures, unless the domestic prices are so reduced as to enter into competition with the foreign manufactures in the foreign market.

If the Northern manufacturers would take the advice of a friend, they would at once endeavor to prepare for the loss of the Southern market. They would reduce the duty on foreign wool and other foreign raw materials, so as to procure them at a cheaper rate, and thus be enabled to reduce their prices on manufactures, and bring them down to a fair working profit. They ought to do this to prepare gradually to meet the ruin which must otherwise result from the increase of the domestic competition. It is known to all, from Georgia, North and South Carolina, Tennessee, and Alabama, that manufactories are beginning to multiply in those States. It is a duty which the people of the States owe to themselves, at the present low prices of cotton and their other productions, to raise and make all they can within themselves, and thus to divide their labor. It is wisdom in them to do this. If, independently of bringing these facts to the knowledge of the Committee and the people of the North, he had had another motive, it was to urge upon his people the necessity of a division of their labor, so as to supply their own wants within themselves. If this is done now, they may be saved from that impoverishment, and perhaps ruin, which is inevitable if they continue to act upon the present principle of employing all their labor in the production of cotton, and of buying from abroad all the common necessaries of life. He most fervently prayed them to make this change as soon as possible: it was the only way to save their State from ruin.

This tariff of 1842 had singular difficulties to encounter. It will be remembered that the last reduction under the compromise act was to take place from and after the 30th of June. As there was no prospect of the passage of any new tariff law in time to prevent the operation of that act, a bill had been reported, and was taken up the 10th of June, to extend, until the first of August next, all laws regulating duties existing and in force on the 1st of June, with a *proviso*, that nothing therein contained should suspend the operation of the distribution law—a law passed at the extra session the preceding year, (1841,) to distribute the proceeds of the sales of the public lands among the several States. The first half yearly distribution was to be made the 1st of July. But there was another reason for the passage of this temporary act, besides affording time to pass a permanent tariff law. Un-

der the compromise act, there were to be from the 30th of June, a home valuation, and cash duties. No law had as yet been enacted to regulate the collection under these provisions; and it was questioned whether there was any law to enforce them. This proviso therefore became a prominent topic of discussion.

It will also be recollected, that the distribution act contained a provision, that if, at any time, the duties prescribed by the compromise law should be raised, then the distribution should cease, and be suspended, until the cause of the suspension should be removed. This proviso to the distribution act was, at the time of its passage, highly objectionable to many of the friends of distribution; because, by diverting from the Treasury the amount received from land sales, a necessity would be created for an increase of tariff duties for revenue. To prevent such necessity, the advocates of a low tariff opposed the distribution, except on condition that it should cease in case the duties were raised. The friends of the proposed new tariff, therefore, were desirous that the bill to postpone to the 1st of August the last reduction under the compromise act, should pass with the proviso that the distribution should not be interfered with. The day (June 10th) having been spent in the discussion of this temporary extension bill, Mr. Fillmore offered a resolution to terminate the debate on it in half an hour; but the House, "being evidently in a bad temper," Mr. F. waived the question for the day.

On the 14th, the resolution was so modified as to close the debate in Committee of the Whole the next day at 2 o'clock. On that day, after a proposition to strike out the proviso continuing the distribution had been rejected, the bill was passed by the House, 116 to 103. It passed the Senate, 24 to 19, having been so amended as merely to suspend the distribution until the 1st day of August, the day to which the suspension of the provisions of the compromise act was to extend, instead of leaving the distribution to be made on the 1st of July, as required by the distribution act. This amendment was concurred in by the House; and the bill was sent to the President for his approval, but was, on the 29th, returned by him to the House with his *veto*.

The veto was for several days discussed in the House; the provisional bill was again taken into consideration, and on the 4th of July, the question was taken on its passage, and decided by yeas, 114; nays, 91. Not two-thirds having

voted in the affirmative, as required in the case of returned bills, the bill was rejected.

The next day the House again took up the tariff or revenue bill, and the day following adopted a resolution offered by Mr. Fillmore, that the debate on the bill in Committee of the Whole should cease on Monday the 11th instant, at 12 o'clock, M., unless the Committee should sooner report the bill to the House; and the Committee were then to proceed to vote on amendments, pending and to be offered, and report the same to the House. Tuesday the 12th having been substituted for Monday the 11th, the resolution was adopted.

The bill was debated, and, having received sundry amendments, passed the House, July 16th, by a vote of 116 to 112. This bill provided to continue the distribution of the proceeds of the public lands. It passed the Senate, August 5th, 25 to 23. The vote in both Houses was almost a strict party vote. In the House, only one Democrat, Mr. Parmenter, of Mass., voted for the bill. Against it were 15 Whigs, all but one from Southern States. In the Senate, the votes in its favor were all from Whigs: against it, 3 Whigs, Preston, of S. C., Graham, of N. C., and Rives, of Va. The bill was sent to the President for his approval, and on the 9th of August, was returned to the House with a veto.

The next day the veto was taken up for consideration. Mr. Adams animadverted severely upon the numerous vetoes of the President. He considered this last veto an "extraordinary exercise of power." The President, he said, seemed to be acting with reference to a reëlection. He had united himself in some measure to the Democratic party; but he [Mr. A.] predicted that, if that party succeeded, they would be as much thwarted by the President as the party now in the majority had been.

On motion of Mr. Adams, the Veto Message was referred to a Committee of thirteen members. The Committee made a report, written by Mr. Adams, containing a review of the condition of the country, the action of Congress, the frequent application of vetoes to measures adopted by Congress,* and particularly the reasons assigned by the President for applying the power of negative to the last bill. The report says:

"The power of the present Congress to enact laws essential

* The President had applied the veto to several bills at the extra session held the preceding summer.

to the welfare of the people, has been struck with apoplexy by the Executive hand. Submission to his will is the only condition upon which he will permit them to act. For the enactment of a measure earnestly recommended by himself, he forbids their action, unless coupled with a condition declared by himself to be on a subject so totally different, that he will not suffer them to be coupled in the same law. With that condition, Congress can not comply. In this state of things, he has assumed, as the Committee fully believe, the exercise of the whole legislative power to himself, and is levying millions of money upon the people without any authority of law."

The report concluded with a resolution proposing an amendment to the Constitution, requiring, instead of two-thirds, a majority of the whole number of members of each House to pass a bill against the President's objections. It was signed by ten of the Committee.

Another report was presented by two of the Committee, C. J. Ingersoll, of Pa., and James I. Roosevelt, of N. Y., in which they say it is not for their protest to explain or enforce the Executive objections. Letting them speak for themselves, they vindicate constitutional rights and deprecate wrongs by Congress. They considered it the duty of Congress not to adjourn without enacting a law for revenue. They should not afford the President so great a triumph.

Mr. Gilmer, of Va., made a counter report and protest in defense of the President, and in opposition to the tariff bill and the distribution of the proceeds of land sales.

The advanced period of the session, and the pressing wants of the treasury, rendered immediate action necessary. A bill, the same as that before passed, but without the clause which required distribution, and with a provision admitting, free of duty, tea imported in American vessels from beyond the Cape of Good Hope, and coffee, was hastened through the House, and passed, (August 22d,) 105 to 103. It was sent to the Senate, where, having received some amendments, (afterwards concurred in by the House,) it passed, (August 27th,) 24 to 23. Mr. Wright, of N. Y., who had voted against the first bill, voted for this bill with the Whig Senators, and *saved* the bill. One reason assigned by Mr. Wright for voting in favor of the bill, was, "that this measure would root out the germ of distribution." The bill was approved by the President, and became a law.

No tariff law, more minute in its details, or more effectively

protective in its operation, as some suppose, was ever passed by Congress, than this act of 1842. Mr. Calhoun said, as the vote on its passage was about to be taken, "that if the Whigs have lost the distribution measure, they have gained another in this bill which is more protective, and lays duties more unequally, than any bill for protection, which has ever been passed by this body."

The following is the vote on the passage of the bill containing the distribution provision:

*Maine:* Yeas, 4; nays, 3. *New Hampshire:* Nays, 5. *Massachusetts:* Yeas, 11. *Connecticut:* Yeas, 6. *Rhode Island:* Yeas, 2. *Vermont:* Yeas, 5. *New York:* Yeas, 18; nays, 18. *New Jersey:* Yeas, 6. *Pennsylvania:* Yeas, 12; nays, 13. *Delaware:* Yea, 1. *Maryland:* Yeas, 6; nays, 2. *Virginia:* Yeas, 7; nays, 13. *North Carolina:* Yeas, 4; nays 8. *South Carolina:* Nays, 9. *Georgia:* Nays, 8. *Alabama:* Nays, 5. *Mississippi:* Nays, 2. *Louisiana:* Yeas, 2; nay, 1. *Arkansas:* Nay, 1. *Tennessee:* Yeas, 3; nays, 9. *Kentucky:* Yeas, 10; nays, 2. *Missouri:* Nays, 2. *Ohio:* Yeas, 12; nays, 7. *Indiana:* Yeas, 5; nay, 1. *Illinois:* Yea, 1; nays, 2. *Michigan:* Yea, 1.

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|---|---|---|---|
| For the bill, | 115 Whigs, | 1 Democrat. |
| Against the bill, | 15 " | 97 " |

Of the Whigs who voted against the bill, were, from North Carolina, 3; South Carolina, 1; Georgia, 6; Kentucky, 4; Illinois, 1.

The Democrat who voted for the bill, was from Massachusetts.

Of the Southern Whigs, 33 voted in favor of the bill, and 14 against it. Mr. Casey, of Illinois, was the only Northern Whig who voted against the bill; and he assigned as a reason, not his objection to the protective system, but because the retaliatory provision against such foreign countries as would not admit our wheat, was left out of the bill.

In the Senate, on the passage of the first bill, the vote was as follows:

YEAS. *Maine:* Evans. *Massachusetts:* Bates, Choate. *Rhode Island:* Simmons, Sprague. *Connecticut:* Huntington. *Vermont:* Crafts, Phelps. *New York:* Tallmadge. *New Jersey:* Dayton, Miller. *Delaware:* Bayard, Clayton. *Maryland:* Kerr, Merrick. *Virginia:* Archer. *North Carolina:* Mangum. *Louisiana:* Barrow, Conrad. *Kentucky:* Crittenden, Morehead. *Indiana:* Smith, White. *Michigan:* Porter, Woodbridge.—25.

NAYS. *Maine:* Williams. *New Hampshire:* Woodbury, Wilcox. *Connecticut:* Smith. *New York:* Wright. *Pennsylvania:* Buchanan, Sturgeon. *Virginia:* Rives. *North Carolina:* Graham. *South Carolina:* Calhoun, Preston. *Georgia:* Cuthbert. *Ohio:* Allen, Tappan. *Illinois:* M'Roberts, Young. *Mississippi:* Walker. *Alabama:* Bagby, King. *Missouri:* Benton, Linn. *Arkansas:* Fulton, Sevier.—23.

On the passage of the bill, after the vetoes, and without the

distribution provision, Messrs. Williams, Wright, Buchanan, and Sturgeon, Democrats, voted in favor of the bill; and Messrs. Archer, Clayton, Mangum, and Merrick, Whigs, who had voted for the first bill, now voted in the negative.

So in the House, on the second vote, the provision for distribution having been left out of the bill, several members on both sides changed their votes.

The tariff act having been secured, a separate bill was passed repealing the proviso of the distribution act, so as to allow the distribution to be made, notwithstanding the increase of duties; but the bill was retained in the hands of the President, and thus defeated.

# CHAPTER XIII.

**Effects of the tariff of 1842. Remarks of American and English papers. Prices of manufactures before and after the tariff.**

In the discussion of every tariff, a great diversity of opinion has been expressed on the subject of protection to domes-industry. Few have taken the ultra ground of "free trade," in the strict sense of that term—that no legislation at all should have reference to the encouragement of home labor. All, with few exceptions, consent to the raising of an adequate revenue by laying duties on imports; and nearly all concede the propriety and expediency of a discrimination in favor of certain articles, in laying the revenue duties; that is, the duties may and ought to be laid upon articles of that class, the home production of which is most essential to our national independence and prosperity. But as to the articles in favor of which the discrimination is to be made, and the measure of duty proper to be imposed, there has been, at all times within the last forty years, such a difference of opinion as to divide the people and their representatives into two nearly equal parties on the tariff question.

In the abstracts of the reports and debates on the several tariffs, given in preceding chapters, we have presented all the principal arguments by which the parties have supported their conflicting opinions. Such is the ability with which they have advocated their respective theories, and such the *plausibility* of their arguments, that it is not strange that public sentiment is so divided upon this subject. And as the interests of all classes of the people in every section of the Union are involved in this question, a correct decision of it is of the highest importance. Is there no means of aiding the people in making such decision? We believe there is. The friends of protection have always been willing to have their theory submitted to the test of *experiment*. To the results of their policy, they have always appealed with confidence. They have challenged their opponents to point out a single instance in which a protective tariff has operated unfavorably upon any of the great interests of the country, or to show that, in the operation of any tariff which they have opposed as being too highly protective, their predictions of its injurious effects have been fulfilled.

So numerous and varied are the interests represented in our National Legislature, that it has been impossible to adopt a system of duties which gave entire satisfaction to every friend of protection; yet of the acts of 1824, 1828, 1832, and 1842, the most imperfect one has been, on the whole, beneficial to the country at large, not excepting those sections from which have come the loudest complaints. These acts—except that of 1832, by which the duties on some articles were reduced—were called for in times of general depression and distress; and not one of them, the provisions of which have been duly executed, has failed to afford relief, and to improve the general condition of the country.

The law of 1842 was supposed to be as effectually protective as any that preceded it. Its provisions were probably, on the whole, as objectionable to the South and to anti-tariff men generally, as those of any other; and its injurious effects were as confidently predicted. As this was the last tariff, emphatically protective, which has been enacted by Congress, and as its effects were as clearly marked, perhaps, as those of either of its predecessors, we have thought proper, among the various information collected in this Chapter, to show the practical operation of this law during the brief period of its existence.

The bill, though intended to supply the deficiency in the revenue under the compromise act, and hence called a *revenue* bill, was equally a *protective* measure, designed to aid in reviving the industrial interests of the country which had been prostrated by causes, of which the great reduction of duties effected by that act was not the least. If, then, the law of 1842 fully answered the purposes of its authors and friends, and disappointed the fears of its enemies, as had been done by former acts of a similar character, why should not the fact be admitted as conclusive evidence in favor of the protective policy?

The immediate effect of the passage of this law, and of the supposed permanent settlement of the long agitated question of a protective tariff, was a restoration of confidence, and the consequent revival of business. In many quarters, notices appeared of factories that had been suspended, being about to resume work, and of their owners inquiring for hands. Within a few days after the act was passed, a New York paper announced, that the Matteawan factory had set to work 400 hands; and that the proprietors of a factory at Haverstraw had put the same in operation.

Another New York city paper said: "Confidence in a better state of things is becoming more general, and most business men begin to feel that we have seen the worst. We can not anticipate a very large business, nor, if it were practicable, do we consider that it would be desirable. The means of the community have been materially reduced. The circulation of the banks is at a very low point; and, although they could safely expand, and would gladly do so, yet an increase of discounts must take place with the general restoration of confidence, and founded upon the legitimate wants of the community."

Said another paper of the same city: "The tariff is felt already. We have seen gentlemen from New Jersey who inform us, that up to the present time, more than forty mills that have been closed are to be speedily opened. In the iron regions, the ore which has been on the banks of the canal as quiet as stones, and almost of as little value, is contracted for. In this city, there is an evident improvement in trade; confidence begins to increase, particularly among manufacturers."

A Boston paper said: "Since the passage of the tariff bill, the business of this city has taken a new start. The transportations for the last two days have been on an extensive scale."

A Baltimore paper said: "Since the passage of the tariff bill, a better state of things has succeeded to the previous depression in almost every department of business. The general feeling in the community is more cheerful and lively than it has appeared to be at any time within the last few years. A gradual return to the full flood tide of enterprise and prosperity, is to be desired in preference to any sudden movements.

"If party politics can be kept from subverting the firm foundation now laid for the establishment of national interests on the basis of home industry and domestic resources, the most salutary results may be anticipated, as time advances, and opportunities are offered for the resuscitation of the prostrate energies of the country. We hope that party violence will not be permitted to overthrow this well begun system. The people can not fail to sustain it, if they fully understand the issue that is made up on this question, and begin to realize the benefits that flow from this domestic and genuinely American policy."

These are but specimens of public sentiment expressed in

the papers throughout the Northern States. But there were not wanting indications of an early effort, even in these States, to disappoint the hopes expressed by the Baltimore editor in the paragraph quoted above, "that party violence would not be permitted to overthrow this well begun system." Opposition to it was soon manifested by the Democratic party, as such. But it was at the South that it received the most violent opposition.

The Richmond Enquirer, having presented the reasons offered by the four Democratic Senators, [Williams, of Maine, Buchanan and Sturgeon, of Pa., and Wright, of N. Y.,] for voting for the bill, said: "With every disposition in the world to treat with every liberality gentlemen who have hitherto distinguished themselves in the Democratic ranks, yet we beg leave most respectfully to say, that we shall hold them to the letter and spirit of their averments—that we shall never rest satisfied until this bill of abominations is expunged from the statute book, or completely changed in its enactments; and that we count upon Messrs. Buchanan, Sturgeon, Wright and Williams, to coöperate with us, and take the cross upon their own shoulders. Repeal! Repeal! is now the word."

Determined opposition to the law was also declared in public meetings, as well as in the papers, in the Southern States. The Southern Democracy—or at least a portion of them—were also dissatisfied with their brethren of the North, who did not quite come up to extreme Southern notions on the tariff question. The following extracts from an article in the Albany Argus, attracted attention at the South:

"The two political parties are divided upon this matter. The Democracy go for a tariff sufficient to defray the expenses of the National Government, economically administered, discriminating in the duties, laying them mainly on such articles as come in competition with those produced in this country, thereby affording 'incidentally' a strong, and by most people believed a sufficient protection to American industry. The Whigs go for a tariff which does not stop here. They would increase it still higher upon articles which can be supplied in this country, and raise their price still higher for the sake of 'protection' only, although it should increase the revenue above the wants of the National Government, and produce a surplus, again to be distributed among the States."

To this the Charleston Mercury thus demurred:

"'The Democracy,' according to this exposition, goes for

a tariff discriminating in its duties, and laying the main weight of its imposition upon articles coming into competition with those produced in this country, thereby affording a 'strong protection to American industry.' 'The Democracy' too, says the Argus, 'both at the North and in the South, with few exceptions, are *desirous*, for the sake of protecting American industry,' to 'pay taxes upon woolens, cottons, worsted stuffs, iron, nails, salt, sugar, glass, and all the articles which can be produced here;' and that 'tea, coffee, spices, dye-stuffs, and a great variety of other articles should be relieved from tax, that it may be increased upon articles that can be produced here, and that, too, for the sake of protection;' the only difference between the '*Democratic*' creed as here exhibited and the Clay and ultra Federal creed, being one not of principle, but of degree only. 'The Democracy' disclaim that a surplus and its distribution is any object of theirs, but on the protective and necessarily prohibitory principle, they are as strong as any Whig of them all!

"Surely, we, plain, straight-forward, free trade Democrats of the South, have a right to protest against being spoken for after such a fashion; and may be excused if we exhibit distrust as well as surprise, when we behold a manœuver such as this change of position, so sudden and so soon, after the explicit declaration of the New York members of the late session of Congress, that they were opposed to a protective tariff *in principle*, and only voted for the present infamous law, and passed it by their votes, to get rid of the land distribution act."

Suspecting the New York Democracy, of which the Argus was the organ, of being actuated, in the utterance of such sentiments, by the fear of meeting the Whigs at the approaching fall election on the issue of a real Democratic tariff, the Mercury said:

"The Argus has willfully subjected itself to the conjecture, whether a press which could tender such concessions in the game for a single State, may not be tempted to concede again and further, for the sake of the more glittering prize of party ascendency in the Union."

Accounts from Europe represented the sensation produced there by the passage of the American tariff act, as little less than that which prevailed in our Southern States. There was high exultation in France and England on receiving intelligence of President Tyler's veto of the bill extending the provisions of the compromise act, and involving the distribution

measure, an account of which is given in the preceding chapter. This veto was there regarded as foreshadowing the fate of the tariff system. A Paris paper said: "Our manufacturers are safe for some months, perhaps for ever, from the hostile projects of the Whigs. We advise the French mercantile houses who trade with the United States, not to neglect to improve the present state of things."

But when the news of the passage of the tariff bill reached Europe, the presses were loud in their denunciations of it. Those of Great Britain discussed it as one calculated to affect materially the British manufacturing districts. Our tariff, however, was not the only one of which the English papers complained. One of them remarked: "At no period of our history, except during the ascendency of Napoleon, has such an alarming succession of blows been struck by foreign Governments at the commercial prosperity of England, as since the entrance of Robert Peel upon office. Within the last ten months, no less than *six hostile tariffs* have been published by other countries; and it is possible that the year may not conclude without adding a *seventh*. We state these facts with a view of calling the serious attention of Government, of Parliament, and of the country to the events themselves, and to the considerations they suggest as to the future commercial policy of England."

This paper then enumerates the hostile tariffs.

"1. The Russian tariff, issued in November, 1841; by which the duty on worsted or woolen goods, and mixed worsted and cotton, was raised from 3s. 6d. to 6s. 2d. per pound English. The new duty is from 200 to 300 per cent. *ad valorem;* printed goods are *prohibited.*

"2. The Portuguese tariff, bearing date the 12th December, 1841, by which the duties on English woolens were raised from 360 reis per lb. to 600 reis per lb. The latter is equal to an *ad valorem* duty of 44 per cent. on the average qualities of cloth sent to Portugal. Before 1837, (in which year the tariff was raised,) the duties were only about 10 per cent., though nominally 15 per cent.

"3. The French tariff, bearing date the 26th June, 1842; by which the duties on English linen yarns and linens were *doubled*, and made almost entirely prohibitory—this being by far our largest branch of export to France.

"4. The Belgian tariff, issued in July, 1842; by which the duties on English linens and linen yarn were raised to the same prohibitory rates as the French duty, in obedience

to the dictation of France, and with a view of preventing the smuggling of English linens and yarns into that country through Belgium.

"5. The United States tariff, bearing date August, 1842; by which the duties on woolens were raised from 20 to 40 per cent.; on worsted goods, from 20 to 30 per cent.; and on cotton goods the duty was made nominally 30 per cent.; but on some kinds of goods it is in reality from 100 to 200 per cent.; and on many kinds of cottons, woolens, and other goods, the duty will be prohibitory.

"The German league tariff, passed September, 1842; by which the duty on one of the largest branches of our exports, namely, worsted goods, figured or printed, is raised from 30 to 50 dollars per cwt., so as to be in many cases prohibitory, and by which the duty on *quincaillerie* or hardware is increased probably 50 dollars per cwt.

"And it is not impossible that next month the Brazilian tariff may be raised very greatly; the Brazilian Government having given notice to that effect.

"Such an unparalleled succession of untoward events is indeed menancing to our manufactures and foreign commerce, and demands the anxious attention of the Government.

"It is proper to observe on this remarkable series of hostile tariffs, that they bear no evidence of *confederacy* against us. The only exception is in regard to France and Belgium, where the feebler power obeys the order of the stronger. Russia, France, Belgium, the United States, Germany, and even in some degree Portugal, have been influenced by a desire to protect their own manufactures. The United States and Portugal have been additionally moved by the hope of relieving their financial embarrassments, though the plan has certainly not succeeded in Portugal, and is not likely to succeed in America. Brazil acts in retaliation for the prohibitory duties imposed in this country on her sugars."

From a report made to the British Parliament by a commission who had been directed to inquire relative to the consumption of British manufactures in other countries, it appeared that, on an average, each inhabitant of Prussia used *seven cents* worth of British goods annually; each Russian *fifteen cents* worth; each Dane *seventeen cents* worth; each Frenchman *twenty cents* worth; whilst each inhabitant of the United States used *four dollars and two cents* worth! It is not strange, therefore, that a protective American tariff should cause regret in England.

The sanguine hopes of an indefinite period of national prosperity under the operation of the new tariff, were greatly moderated by the results of the elections in the fall of 1842. In the large States of New York, Pennsylvania, and Ohio, and some of the smaller States, there were great Democratic gains, which were considered as indicating danger to the tariff. It had been passed by the smallest majorities in both Houses of Congress; and therefore the least anti-tariff gains would encourage the opponents of a protective tariff to a new attack upon the system, and with no slight prospect of success. And it was seriously apprehended by its friends, that the new tariff would be overthrown before it could have a fair trial. It was confidence in its permanence that had, in a great measure, given the fresh impulse to domestic enterprise; and it was feared that the efficiency of the tariff would be much impaired even during the period of its existence, which, in all probability, would not extend beyond the first session of the next Congress. And it was not improbable that an effort would be made to repeal or essentially modify it at the next session of the Congress by which it had been enacted.

As to the practical working of the tariff, little, perhaps, could be determined before the next meeting of Congress. Its effects were, however, represented by its friends as highly favorable. A New York city paper, in November, remarked; "When the tariff bill was passed, imposing a greater duty on foreign goods, it was alleged by most men, that it would increase the price of foreign articles nearly or quite to the amount of the duty, and thus it would be an indirect tax on the people. Contrary to this prediction, the fact has turned out differently. Nearly all descriptions of French and British goods, we are informed by those who deal in them, were never lower, and some descriptions were never so low as they are selling at the present time. Those who have from choice or necessity thrown those goods into the auction rooms, have realized the most ruinous prices. The article of coal, which now pays a duty of $1 75 a tun, is no dearer than it was before the tariff law was passed. Iron, the great article of consumption, bears but a very moderate advance above what it did before the duty was raised."

The President in his next annual Message, [December, 1842,] said: "The present tariff of duties was somewhat hastily and hurriedly passed near the close of the last session of Congress. That it should have defects, can, therefore, be

surprising to no one. To remedy such defects as may be found to exist in many of its provisions, will not fail to claim your serious attention." He recommended "moderate duties with a wise discrimination as to their several objects, as being not only most likely to be durable, but most advantageous to every interest of society."

The President could hardly have expected, however, that Congress would so soon interfere with the labors of its own hands, and continue an excitement which was rapidly subsiding. Nor did there appear to be any disposition among the opponents of the tariff generally to have the subject re-agitated by the action of Congress. The principal manifestations of opposition to the tariff appeared in some of the Southern States, where meetings were occasionally held, and anti-tariff reports made and corresponding resolutions passed. Resolutions of the Legislature of Illinois were presented in Congress, declaring the tariff partial, unjust, and anti-democratic, and that it ought to be modified.

Also a report of the Committee on Federal Relations in the Legislature of South Carolina, on the subject of the tariff, adopted by the Legislature, was transmitted by the Governor of that State to the President and to Congress. The report and the resolutions accompanying it, declare a tariff, except for revenue, to be unconstitutional; that the tariff of 1842 bestowed bounties upon manufacturers, by extorting money from all the rest of the community; that the people of that State trusted to the constitutional principles of the Democratic party, and looked to it for relief. The report enumerates some of the supposed evil effects of the measure, and adds: "This is the operation of the tariff which the Whig administration has imposed upon the nation. It was concocted, not for revenue, for it is so extravagant as to cut off importation. It cripples agriculture, by enhancing the cost of the articles necessary to the planter, and more especially by depriving him of the market of the world for the sale of his crops. It does not excuse or palliate this injustice that it has been practiced, more or less, since the foundation of the Government. This only proves that the activity and corruption of a selfish few have been successful in defeating the just rights of the people."

Opinions very different from these, however, as to the prospective effects of the tariff, as well as to those already experienced, both in this country and England, appeared in the papers of these two countries.

Respecting the effect of our tariff in England, a spinner in Manchester writes, November 9, 1842: "Fine yarn and goods remain as low in price as ever; and as producers we have a miserable trade. Our distress has been increased by the unwise, ungenerous, and self-robbing *tariff* of the United States, and which, though professing to have been passed for revenue and protection, has been really passed for manufacturing plunder, in contradistinction to our own agricultural plunder. We hope that common sense and justice may prevail in your, as well as in our Legislature."

The people of this country had long felt the effects of "the agricultural plunder" inflicted upon them by the "corn laws" of England. It was but reasonable and natural that we should adopt a policy which would enable us to obtain our supplies of "fine yarns and goods," as well as hundreds of other articles, where our agricultural products were not excluded by any such system of "plunder" as that which had so long been cherished by the British Government as a favorite policy.

The London Times, of the 19th of July, 1843, less than one year from the passage of the tariff law, in an article on the "Decline of the trade with America," said the exports of British goods to the United States had been only about one-half of the average annual amount exported from 1833 to 1841, both years inclusive. Instead of about $38,000,000, as during those years, the exports for 1842 were only about $17,000,000. The exports of numerous articles were given. Among them we find manufactures of cotton, of iron, of silk, and of wool, of some of which the amount exported to this country had diminished more than two-thirds. The Times said:

"After making every allowance for the more than usual embarrassment of trade in the United States in 1842, the first of the above return can not be regarded as being otherwise than most unfavorable to the prospects of English industry, while the second shows that the balance of trade is turning against this country in a manner which renders it doubtful whether we shall not shortly have to pay for American cotton in specie instead of goods.

"Nothing but a very great revival of the demand for English manufactures can save us from this evil; and without a reform of the American tariff, there is very little hope of any revival at all equal to the necessities of the case; but we must consent to make liberal concessions if we wish or hope to receive them."

Many other articles from British papers might be given, deprecating the effects of our new tariff upon the trade between the countries; a trade which, owing to the divided state of public sentiment in this country, the British Government had been enabled hitherto to dictate on her own terms.

"A Merchant" in New York city, in the summer of 1843, spoke in a city paper of the new tariff as follows:

"Under the influence of this tariff, every interest of the country is rising from a state of unparalleled depression quite as rapidly as could be desired; and what will greatly disappoint the opponents of the measure, the importation of foreign goods the present year will be somewhat beyond the wants of the country, producing a revenue from customs of some 2 or 3 millions more than the estimate of the last Committee of Ways and Means. A good fall trade is anticipated; and the orders that have gone forward for goods to arrive in July and August will be found quite large enough.

"Nor have the South so much reason to complain of the present state of things. No section of the country is recovering more rapidly from the terrible revulsion of 1836 and '7, than the States of the South and South-West. Cotton, at the present price, pays the planter better than the agricultural products of the Northern and Western States remunerate the farmers of those States. The consumption of cotton in this country the present year, will not vary much from 400,000 bales; and thus far it has been taken by our manufacturers at prices that have paid the planter 10 or 15 per cent. more than that shipped to Liverpool or Havre.

"And so of bread-stuffs. For years past, the safest and best market for Western flour has been the district of our country in New England devoted to manufactures; and although our merchants have occasionally felt authorized, by accounts from the other side, to ship flour to Europe, the result has invariably shown, that the home market is more to be relied upon than the foreign.

"During my experience in trade—and it extends back more than twenty-five years—all our commercial revulsions have had their origin in excessive importations from abroad. It is in vain to say the country will take no more goods than it actually requires. Nine times out of ten, all the goods brought here will be sold. If the importer finds that there is a large surplus in the first hands, he will offer to the jobber inducements, either in price or time, or both, to take

them off from his hands; and when the jobber finds he has accumulated a stock beyond the demands of his regular customers, he will be sure to place a portion of that stock where he ought not, by taking up men of doubtful credit. And so of the retailer in the country. Preserve the present rate of duties, and all these evils will be avoided.

"The present tariff excludes from our market Manchester prints—an article, the importation of which has heretofore taken a large amount of specie out of the country: and what has been the consequence? Why, within the last eight months there have been improvements in this country in the machinery connected with this branch of business, [printing,] such as were never made in England during the same number of years; and the consumer is now furnished with domestic calicoes at 6 to 15 cents a yard, superior to the imported goods, for which he used to pay from 18 to 27. And this will be the case with numerous other articles. Wherever foreign competition is excluded, there will always be such an application of capital and skill as will favor the consumer.

"Who, past middle life, has forgotten the large amounts of specie formerly sent from this country every year for the purchase of East India cottons—goods familiarly known at that day as '*hum-hums*?' The tariff of 1816 imposed duties upon those goods that amounted to a prohibition. Within two years thereafter, their place was supplied by a domestic article superior in texture, and at a reduced price; and from that time to the present, the manufacture of brown and bleached cottons has steadily advanced, until New England now spreads her heavy fabric in the Canton market, side by side with the Calcutta goods, and challenges a comparison. . . . For the present, leave the tariff where it is, with perhaps some slight modifications, and a career of prosperity is in store for this country, such as it has not experienced."

Of the favorable effect of the tariff of 1842 upon the production of wool in this country, by keeping out foreign wool, a Vermont paper, in August, 1843, furnished an important item of evidence. It gave the following facts:

In 1840, the amount of foreign coarse wool imported, was 14,000,000 pounds; in 1841, a little upwards of 10,000,000. From a statement received by Mr. Slade from the Register of the Treasury, it appeared that, during the first half of the fiscal year which commenced the 1st of October, 1842, one

month after the new tariff went into operation, there was imported :

| | |
|---|---|
| Wool costing 7 cents or under,..... | 881,368 |
| Wool costing over 7 cents,..... | 175,962 |

Which being doubled for the entire year would stand as follows :

| | |
|---|---|
| Wool costing 7 cents or under,..... | 1,762,736 |
| Wool costing over 7 cents,..... | 351,924 |

The importations of the year ending September 30th, 1842, were as follows :

| | |
|---|---|
| Wool costing 8 cents or under,..... | 10,538,998 |
| Wool costing over 8 cents,..... | 751,384 |

This vast falling off in the importation of foreign wool must have greatly increased the demand for domestic wool, and shows that the wool grower as well as the manufacturer was benefited by the tariff.

The beneficial effects of a protective tariff upon domestic industry are illustrated in the manufacture of the two articles mentioned below. Most of our *glass-ware* was formerly imported ; and among the rest, the cheap common tumbler from Germany, at a cost of 50, 44, 41, and at the lowest, 37½ cents a dozen ; at which price, the importers barely made the freight on them, declaring that they brought them merely to fill up their cargoes. The tariff of 1842 imposed a heavy duty on them—10 cents a pound. With this encouragement the manufacture was attempted, and in 1843, these tumblers were sold at 27½ cents a dozen—one of the hundred instances disproving the doctrine that the duty is necessarily a tax to the consumer.

*Pins* were for the first time adequately protected in 1842, when there were said to be but two pin-making establishments in this country. In 1843, under the increased duty, a superior article was selling 15 per cent. cheaper than before. The duty insured a steady market ; the manufacture was increased ; and the natural consequence was a reduction of the price.

Nothing, perhaps, more clearly demonstrated the favorable operation of the tariff than the following statement of the wholesale prices of goods of the various branches of trade in the city of Richmond, Va., prepared by respectable and intelligent merchants of that place, showing the prices of the articles named, in 1841, the year before the passage of the act, and in 1843, the year after.

| | Prices in 1841. | | Prices in 1843. | |
|---|---|---|---|---|
| Sack salt,..... | $ 1 90 | to 2 25 | $ 1 60 | to 1 65 |
| Am. bar iron, per ton, | 85 00 | | 70 00 | 75 00 |
| English do " | 70 00 | | 57 00 | |
| Swedes do " | 90 00 | | 77 00 | |
| Richmond manuf., " | 90 00 | | 81 00 | |
| Am. blis. steel, " | 115 00 | | 95 00 | |
| Collins' axes, doz. | 18 00 | | 14 00 | |
| Simmons' do " | 18 00 | | 13 00 | |
| Castings, hollow, lb. | 00 04 | | 00 03 | to 00 03½ |
| Anvils,..... " | 00 12½ | to 0 16¾ | 00 09 | to 00 14 |
| Vices,..... " | 00 15 | to 0 20 | | |
| Scythe blades doz. | 16 | | 14 | |
| Nails, Rich. made, lb. | 00 05 | to 0 05¼ | 00 03¾ | to 00 04 |
| Bar lead,..... | 00 06½ | | 00 05 | |
| Loaf sugar, best,.... | 00 15 | | 00 11 | |

Table knives and forks, and pocket knives 33 per cent. less in 1843.

Spades and shovels, 20 per cent. less.

Cross cut and mill saws, 12½ per cent. less.

Wood screws, though prohibited by duty, were at least 20 per cent lower, and of a superior quality to those formerly imported.

*Statement showing the relative prices of leading styles of Dry Goods on the 1st of Jan.* 1841, *and the 1st Jan.* 1843.

| | Jan. 1841. | Jan. 1843. |
|---|---|---|
| Cotton osnaburgs,..... yd., | 8 to 10c. | 6½ to 7½c. |
| ¾ brown shirtings,..... " | 6½ to 8½c. | 4½ to 6½c. |
| " " yd. wide. " | 8½ to 11c. | 6½ to 8½c. |
| Dom. prints, staple styles, | 12½ to 18c. | 8½ to 12½c. |

The prices of bleached goods had changed in the same ratio. Cloths and cassimeres and satinets, reduced not less than 33⅓ per cent.

The effect of the tariff on calicoes, or prints, these merchants said, was probably as great as on any other article. During the year 1840, large quantities of British prints were imported that cost from 22c. to 28c. per yard; and in 1843, prints of as good quality were produced in this country as low as 15c., which entirely excluded British prints from our markets.

The tariff also had a tendency, they said, to reduce the price of foreign goods. For example: Irish linens were imported in 1841, duty free; in 1843 they paid a duty of 25 per cent., and, with the duty added, were 20 per cent. lower

than in 1841. English and French cloths and cassimeres in 1841 paid a duty of 38 per cent., and in 1843 paid 40 per cent., and were 20 per cent. lower than in 1841.

The list embraces many other articles of domestic and foreign dry goods, which had fallen in about the same proportion.

The importations of coin and bullion were, during the year ending September 30th, 1841, $4,988,633; in 1842, $4,087,016; in 1843, $23,741,641! the largest importation of specie that had ever been made in any one year. Large amounts, on the contrary, had usually been exported to pay balances against us in foreign countries. Of the amount of coin and bullion imported, $3,118,399 was exported; leaving more than 20 millions as the amount of importations over and above the amount exported.

It should be remembered, too, in the comparison of prices of goods, that in 1841, money was scarce, and the rate of interest high; and in 1843 money was more plentiful, and the rate of interest low.

A member of Congress from the State of Indiana, stated, at Washington, in the winter of 1843–1844, that "the tariff had reduced every thing the West had to *sell*, and had increased that of every thing that section had to *buy*;" and having been repeatedly challenged to name *one* article, said *salt* had been increased 100 per cent. This led to an inquiry, by the editor of a New York city paper, who received statements of prices at three different points in that State, on the 1st of January, 1844. The statements came from unquestionable authority.

At Indianapolis, the Capital of the State, prices were as follows:

| | Jan. 1842. | Jan. 1844. |
|---|---|---|
| Salt, per bushel, | $1 00 | 50 cents. |
| Iron, per pound, | 6 | 5 " |
| Brass kettles, per pound, | 75 | 62 " |
| Cotton shirting, per yard, | 12½ | 8 to 9 " |

Hardware and cutlery had fallen since 1842, 10 per cent.
Nails were cheaper by 1½ c. per pound.
Buttons had fallen 100 per cent.
Pins remained the same.

At South Bend, the prices were, according to the statement from that place, as follows:

| | Jan. 1842. | Jan. 1844. |
|---|---|---|
| Mackinaw blankets, per pair, | $10 00 | $8 00 |
| Nails, cut, per 100 pounds, | 9 50 to 10 00 | 7 00 |
| Heavy sheetings, wide, per yard, | 12½ | 10 |
| ¾ brown shirtings, " | 8 | 6¼ |
| Inch wood screws, per gross, | 81 | 62½ |
| Pins, per pack, | 87½ | 80 |
| Bar iron, *domestic*, per 100 lbs., | 5 50 to 6 50 | 4 00 to 5 50 |

Swedes and English had fallen in the same ratio.

| | | |
|---|---|---|
| Steel, American, per cwt. | 12 50 | 10 00 |
| Round rolled iron, under ½ in., | 10 00 to 12 50 | 9 00 |

The average on *satinets*, about 40 per cent. less than in 1842. On *jeans*, from 40 to 50 per cent. less. Domestic and foreign goods generally, 25 per cent. less.

The goods were transported from New York, in both years, by the same route.

At Lafayette, the current prices of the following articles were:

| | Jan. 1842. | Jan. 1844. |
|---|---|---|
| Onondaga salt, per barrel, | $5 25 | $1 87 |
| Kanawha salt, per barrel, | 3 75 | 2 25 |
| Bar iron, per pound, | 9 | 4½ to 5 |
| Cotton sheeting, good, per yard, 12 to | 16 | 9 to 10 |

The opening of the Wabash canal from Lafayette to Toledo, reduced the cost of transportation on Onondaga salt, and consequently its price; but it did not affect the Kanawha salt and bar iron, as they came down the Ohio river to the mouth of the Wabash, and thence up that river to Lafayette.

The following named articles and their prices were published in the New York Prices Current for March, 1842, and March, 1844.

| | March 1842. | March 1844. |
|---|---|---|
| Coal, Liverpool Orel, per ch. | 9 00 | 7 00 to 8 25 |
| " Newcastle, fine and cor. | 7 50 to 8 50 | 6 00 to 6 75 |
| " Scotch, | 6 00 to 6 50 | 6 00 to 6 50 |
| " Sidney and Pictou, | 6 50 to 7 00 | 6 00 to 6 25 |
| " Anthracites 2,000 lbs., | 6 00 to 7 50 | 4 75 to 5 50 |
| Cloths, common woolen, by the piece, per yard, | 1 37 to 1 75 | 1 20 to 1 55 |

Domestic goods.

| | | | |
|---|---|---|---|
| Shirtings, | brown, ¾ | 4½ to 5½ | 4½ to 6 |
| do | " wide | 5½ to 7 | 6 7 |
| do | bleached, | 7 to 9 | 5 to 8 |
| do | Sea Island, | 10 to 12 | 7 to 11 |

| | | |
|---|---|---|
| Calico, blue,..... | 10 to 14 | 7 to 12 |
| Plaids,..... | 7 to 10 | 9 to 11 |
| Stripes, fast colors,..... | 7 to 10 | 8 to 10 |
| Satinets,..... | 40 to 1 25 | 35 to 70 |
| Cotton yarn, No. 5 to 13, per lb..... | 15 to 17 | 14 to 16 |
| do No. 14 to 19 lb. | 19 to 20 | — to 17 |
| Glass, Eng. crown, per 50 ft. | | |
| 6 by 8 to 10 by 13,.... | 4 00 to 4 50 | 3 50 to 4 00 |
| 10 by 14 to 12 by 17,.. | 5 00 to 5 50 | 4 50 to 5 00 |
| 12 by 18 to 16 by 26,. | 6 00 to 7 00 | 5 50 to 6 50 |
| N. Y. cylinder, 7 by 9 to 8 by 10,..... | 2 75 to 3 00 | 2 75 to 3 00 |
| do 10 by 12 to 10 by 14.... | 3 25 to 3 50 | 3 25 to 3 50 |

Several other kinds are quoted, showing a reduction of about 10 per cent.

Brass kettles imported from England, cost 37 cents per pound, in 1842. In 1844 a domestic article of a better quality was sold at the same price.

Smoothing irons, sometimes called *sad irons*, in 1842, 4½ to 4¾ cents per pound; in 1844, from 3½ to 3¾ cents.

# CHAPTER XIV.

Attempt to revise the tariff in 1844. McDuffie's bill in the Senate, and debate thereon. Further effects of the tariff. Southern opposition.

ALTHOUGH a decided majority of Democrats had been elected to the new Congress, an attempt to reduce the tariff at its first session, 1843–1844, proved unsuccessful. The President made a slight allusion to the subject. He said, "the prominent interest of every important pursuit of life, requires for success, permanency and stability and legislation. These can only be attained by adopting, as the basis of action, moderation in all things," &c. "No one section of the country should desire to have its supposed interests advanced at the sacrifice of all others;" and he recommended concession and compromise for the sake of union.

Mr. M'Duffie, of S. C., now in the Senate, at an early day [December 19,] introduced a bill, proposing, in substance, to revive the compromise act which had been suspended by the act of 1842.

Mr. Rhett, of the same State, on the 3d of January, introduced a resolution instructing the Committee of Ways and Means to report a bill of a similar nature. The resolution was rejected, 67 to 112. Whereupon,

Mr. Black, of Ga., offered a resolution of instruction to the same Committee, to report a bill revising the tariff, and imposing duties on the principle of revenue only, which was rejected by a majority of *one vote:* Yeas, 83; nays, 84.

One or two other members of the House made similar attempts, with no better success. An indisposition to anticipate the report of the Committee of Ways and Means was alleged as a reason why some of the friends of a reduced tariff voted against the resolutions.

In the Senate, Jan. 9, Mr. Evans, from the Committee on Finance, reported two resolutions: 1st, declaring the bill to revive the act of 1833, to be a revenue bill within the meaning of the Constitution, and can not therefore originate in the Senate. 2d., that it be indefinitely postponed.

The debate continued until the 13th of February, when the report and resolutions were for the present laid on the table.

The debate was a few days after resumed, and continued until the 31st of May, when

Mr. Allen, of O., moved to substitute for the resolutions of the Committee on Finance, one declaring that "the duties imposed by existing laws on importations are unjust, and ought to be reduced." Decided in the negative, 18 to 25.

The vote was then taken on the first resolution reported by the Committee, and carried: Yeas, 33; nays, 4; Messrs. Haywood, of N. C., Huger and M'Duffie, of S. C., and Woodbury, of N. H.

Those who took part in the debate, which was mainly on the subject of protection, were Messrs. Evans, of Maine, Huntington, of Conn., Phelps, of Vt., Bates and Choate, of Mass., Simmons, of R. I., Berrien, of Ga., and Dayton, of N. J., in opposition to Mr. M'Duffie's bill, and in defense of the tariff; and Messrs. M'Duffie, of S. C., Benton, of Mo., Bagby of Ala., Wright, of N. Y., and Woodbury, of N. H., against a high protective tariff.

Mr. Berrien, who had not been an advocate of the tariff system, was opposed to disturbing the existing tariff. There had been since August, 1842, he said, a sensible improvement in the condition of the country; whether because of that tariff, or in spite of it, was not a subject of his present inquiry. He stated the following facts:

1. The credit of the Government was prostrate, and has been redeemed. Its stock is again above par.

2. The treasury was empty; it is now replenished.

3. The commerce and navigation of the country have increased.

4. Its agricultural condition has improved.

5. There has been a marked improvement of our great staple.

6. A reduction in the prices of almost all, if not absolutely of every article of consumption.

7. To crown the whole, every branch of industry has been stimulated to increased activity, and confidence has been restored. These things, I apprehend, are true. The tariff of 1842 has been in efficient operation but little more than a year, and these effects have followed. Looking to this state of things, I ask, is this a time for excitement, for agitation, for interfering with the pursuits of industry? Is this a time for change, for such a change as the adoption of this bill would bring us?

Mr. Choate, in the course of his speech, said: The gen-

tleman [Mr. M'Duffie] did not inquire whether the bill protected home industry or not. It laid aside all considerations of that kind. All the capital, labor, and experience that had been devoted to manufactures, were to be thrown aside. Millions of hands might want employment, and millions of mouths might want bread; but the bill had nothing in it of protection. He had found no example for such a bill in the journals of our legislation, nor in the early history of the Government. There was a question involved in this subject which was an open and a practical question. We were told by the honorable gentleman from Missouri, [Mr. Benton,] that the protection afforded by the proposed bill would be such as would enable the manufacturers to exist. The Senator came to us, not as an enemy, but as a friend to the protective system. He had supported that system through his course in this body. The Senator had voted for the tariff of 1824, which had laid deep and immovable the foundation of the system. He had voted for the tariff of 1828, reluctantly, it is true, but still he voted for it. He voted for the bill of 1832, but that was a reduction to some extent; yet still it was a protective bill; and he voted against the compromise act. But he now counsels a vast change, which could not be made, as he [Mr. C.] was firmly convinced, without ruining all the interests which had so long been sheltered under the system. He had told us that the minimum must be abolished; that *ad valorem* duties should be resorted to; that luxuries should be taxed, and necessaries exempted from duty; and that no duty should exceed thirty-three per cent.

Mr. C. went on to show that the tariff of 1789 recognized the principle of protection, and was for the time an adequate protection; and that in object and spirit, it was similar to the acts of 1816 and 1824. The act of 1789 did not purport to be a revenue tariff, or a protective tariff; these distinctions belong only to the polemics of modern times. The provisions of that act were intended to protect the rising mechanical labor of Young America. A list of enumerated articles were taxed with specific duties, expressly for the purpose of protection. The act was made to protect, and did protect industry as fully as any act that had been passed since. In April, 1789, just after the first Congress had taken their oaths, when every member knew well the meaning and intent of the constitutional provisions in regard to the revenue power, the subject was taken up. Mr. Madison proposed that Congress should pass a short act in ten lines sole-

ly for the purpose of raising a revenue. He advocated dispatch; and it was necessary that the law should be passed in time to meet the spring importations. His object was revenue entirely; and he proposed a uniform rate of duty of five per cent., and some few specific duties. If that bill had passed, we should have had that black swan—that monster which the world never saw—a revenue tariff. But it did not pass. Mr. Fitzsimons, of Pennsylvania, desired, he said, to see a system established that would promote the whole of the interests of the country, agricultural, commercial, and manufacturing. He hesitated not to put his opinions in competition with the transcendent mind of Mr. Madison, and to propose a system of protection of American industry. In that brief deliberation, we had, *in petto*, the whole argument on this subject. It was admitted that Mr. Madison's bill would bring more money into the Treasury than the other; but it was said that it was more important to frame a bill that would protect the rising manufactures of America. Congress proceeded, therefore, to frame a bill, each article being brought forward and separately decided upon.

Mr. C. read statements of the sentiments of General Washington, Mr. Jefferson, Mr. Dallas, and others, in favor of the encouragement of manufactures by protective duties. Passing strange would it have been if the great men who formed the Congress of 1789 had not passed a law encouraging manufactures, knowing, as they did, that it was one of the leading objects of the Union to protect our industry from foreign competition. He read also from South Carolina writers similar sentiments. He showed that the prevailing sentiment among those that founded the Government was, that the true intent of the Constitution was to foster and protect American industry.

Having proved that the tariffs of 1816 and 1824 were in principle identical with that of 1789, he proceeded to show that the duties under the tariff of 1824 transcended those of 1789, as far as the duties of 1842 exceeded the duties of 1824. The duties which were sufficient for revenue and protection in 1789, had become insufficient for both in 1824; and the duties that were adequate in 1824, had, for the same reasons, become insufficient in 1842. Mr. C. adverted to the condition of our country, and that of foreign countries, the wars in Europe, and other events which had their influence upon our industry, previous to the tariff of 1816, when the general peace had rendered higher duties necessary for the protection of manufactures.

Mr. C. spoke of the general feeling on this subject; and of the manner in which Senators were carried away by their feelings. It was Massachusetts arguments that were answered; it was the profits of Massachusetts manufacturers that were stated; and if extraneous questions were referred to, the topic was the speculative opinions held in Massachusetts on some subjects. But why was nothing said of Pennsylvania, the State that had made all the tariffs, while Massachusetts had, perhaps mistaking her own interests, opposed the tariffs of 1816 and 1824? Perhaps the great reason was the great number of votes that Pennsylvania brought into the lists, and which were all doubtful; while Massachusetts had but a small number of votes, which were not doubtful at all. . . . Was not Massachusetts, after all, a useful member of the Union? What would be gained by throwing her back upon her granite ice, forcing her to dig for beans and potatoes, or to roam the world for freights in competition with the navigators of Hamburg? He presented a statement of the quantity of agricultural produce consumed by Massachusetts, and which was derived from every part of the Union; and concluded by saying, if you will be just to Massachusetts, she will be a blessing to you.

While this debate was in progress in the Senate, Mr. McKay, from the Committee of Ways and Means, in the House, on the 8th of March, reported a bill which had for some time been looked for, proposing a great reduction of duties, and adopting, in relation to most articles, the *ad valorem* principle. Four or five unsuccessful motions were made to go into Committee of the Whole on the bill, and to make it the special order of the day. At length, on the 22d of April, the House resolved itself into a Committee of the Whole on the bill, by a vote of 104 to 94.

The debate upon the bill was continued until the 8th of May, when it was taken out of the Committee of the Whole, and reported to the House; and on the 10th, it was laid on the table—equivalent to a rejection—by a vote of 105 to 99.

Of the Democrats who voted in the affirmative, there were from Massachusetts 2; Vermont, 1; Connecticut, 2; New York, 10; Pennsylvania, 8; Kentucky, 1—in all, 28. Only 1 Whig, Mr. Chappell, of Georgia, voted in the negative.

A result so gratifying to the friends of protection was probably not generally anticipated. The announcement of it in Niles' Register was accompanied by the following remark:

"This result, in a House having so large a majority of the political party which had principally identified itself with the doctrine of 'free trade and no protection duties,' may be considered as quieting all apprehension on the part of the friends of the existing tariff. It is now fairly *the law of the land*, having undergone and sustained the ordeal of party trammels, of foreign effort, and of 'error of opinion.' American industry is sustained, American interests maintained, and American prosperity insured."

The opinion pretty extensively prevailed, that the fact of an approaching presidential election had no inconsiderable influence in determining this question. In Pennsylvania and some other Democratic States, the popular sentiment was strong in favor of protection; and the votes of those States would have been seriously jeoparded by the repeal of the tariff, which, it was believed, had been the principal means of the acknowledged improvement in the condition of the country. From the large number of memorials, with their thousands of signers, from different parts of the country, remonstrating against the proposed change in the tariff, it can not be doubted that the popular vote would have been materially affected by the passage of the bill.

That there was considerable solicitude in regard to the State of Pennsylvania, was inferred from other circumstances than the fate of McKay's tariff bill. Mr. Polk, the Democratic candidate for President, had, while in Congress, acted with the opponents of protection. And in 1843, when a candidate for Governor of the State of Tennessee, he wrote a letter for publication, addressed to the people of that State, in which he said: "I had steadily, during the period I was a Representative in Congress, been opposed to a protective policy, as my recorded votes and public speeches prove. Since I retired from Congress, I had held the same opinion. In the present canvass for Governor, I had *avowed my opposition to the tariff act of the late Whig Congress*, as being highly protective in its character, and not designed by its authors as a *revenue* measure."

In June, 1844, he wrote a letter to Judge Kane, of Pennsylvania, who had addressed him on the subject of the tariff. The general tone of the letter was considered as materially different from that of other communications on the same subject intended for publication in other States, and especially from the views expressed by him before his nomination for the Presidency. In this letter he says:

"In adjusting the details of a revenue tariff, I have heretofore sanctioned such moderate discriminating duties as would produce the amount of revenue needed, and at the same time afford reasonable incidental protection to our home industry. I am opposed to a tariff for protection *merely*, and not for revenue. Acting upon these general principles, it is well known that I gave my support to the policy of General Jackson's administration on this subject. I voted against the tariff act of 1828. I voted for the act of 1832, which contained modifications of some of the objectionable provisions of the act of 1828. As a member of the Committee of Ways and Means of the House of Representatives, I gave my assent to a bill reported by that Committee in December, 1832, making further modifications of the act of 1828, and making also discriminations in the imposition of the duties which it proposed. That bill did not pass, but was superseded by the compromise bill, for which I voted.

"In my judgment, it is the duty of the Government to extend, as far as it may be practicable to do so, by its revenue laws and all other means within its power, fair and just protection to all the great interests of the whole Union, embracing agriculture, manufactures, commerce, and navigation."

This letter, which received a general circulation through the State of Pennsylvania, was supposed to have aided essentially in securing to him the vote of that State.

The designs of the party against the tariff, however, were not abandoned. A member of Congress, in the course of a speech, made the following declaration: "The Democratic party has been taunted with a fear of passing the late tariff bill. I can tell gentlemen that the present tariff will be reduced as soon as we are in full power. We very well knew that it was of no use to pass it in the House now, as we have not the majority in the Senate. Give us a majority there, and then see if we do not pass the bill. We will do it; for such is our purpose—such is our resolute determination." But to whatever cause the failure of the bill was to be attributed, it was evident that the doom of the tariff of 1842 would be stayed for another term of two years; and that the country would be left to enjoy for at least that brief period the fruits of an efficient protective policy.

Congress adjourned the 17th of June. The Presidential campaign had been fully opened. The candidates were in the field. The tariff was a distinctive and prominent issue between the two great parties. It was discussed at every

political meeting. The result was the election of the anti-protection candidate for President, and of a majority of members of Congress, and of a sufficient number of State Legislatures to secure a majority in the Senate, and thus to give to the Democratic party the entire control of the Government.

Although the ascendency of the Democratic party was regarded as unfavorable to the permanence of the tariff, the hope was to some extent indulged, that its continued favorable operation would in a great measure allay the opposition to the measure, and protect it against the meditated assault of its opponents. Its operation was therefore watched with interest by its friends, who had the satisfaction of perceiving in its effects the fulfillment of their own predictions, and the refutation of the arguments by which it had been opposed.

It had been objected to the passage of the bill of 1842, as usual, that "protective duties impose grievous burdens upon all other classes of the community for the benefit of the manufacturers;" or as one speaker remarked in the debate, that "the effect of protective duties is to keep up the prices here far beyond the prices at which they could be imported from abroad at a mere revenue duty." The statements of prices of different manufactures before and after the passage of the act of 1842, given in the preceding Chapter, and showing a great decline instead of an increase of prices on protected articles, were regarded as confirming the theory of protectionists, that when the manufacture of an article is encouraged by an adequate protective duty, competition will reduce the price.

Another objection to the bill was, that the high duties it proposed, would, by checking importations, diminish instead of increasing the revenue. It was foreseen and admitted by its friends, that the revenue would be small. The large supply, in market, of foreign goods remaining from the excessive importations of former years, and the inability of the people to purchase, would necessarily prevent the usual importations. Such proved to be the fact. The fiscal year had commenced on the 1st of October and ended on the 30th of September. The tariff act of 1842 took effect the 30th of August, one month before the close of the fiscal year. A law having been passed changing the close of the fiscal year from the 30th of September to the 30th of June, the next fiscal year embraced but nine months. During this period the net revenue from duties on imports amounted to only $10,973,982.

Such, however, was the increase of importations for the fall trade, that, as appears from the report of the Secretary of the Treasury, the net revenue from customs, from July 1 to September 30, 1843, was $6,132,272, or about one-half as much as was received during the whole year ending September 30, 1842, under the low tariff.

The framers of the bill, as has been stated in a preceding Chapter, estimated the revenue under the operation of the act, at $26,000,000 to $27,000,000. The net revenue from customs during the year ending the 30th of June, 1844, was $26,183,570; in 1845, $27,528,112; in 1846, $26,712,608; being sufficient to meet the demands of the treasury.

Following the passage of the tariff act of 1842, and considered as one of its beneficial effects, was the increase of the number of manufactories. Not only was there an increase of investment in manufactures in the Northern and Eastern States, but factories on an extensive scale were built in a number of the Southern and South-Western States. New branches of manufactures also were brought into existence. In calculating the benefits of this extension of the manufacturing business, we must consider the increased demand for labor produced by it, and, in general, as one of its natural results, at increased wages.

The opinion of many of its friends as to the policy of this protective measure, was confirmed by the effect it produced abroad, especially in Great Britain, who had found her best customer in the United States. A London paper speaking on the subject, said:

"The dangers to which our trade is exposed by the growing manufacturing system of the United States, are yet far from having reached their climax. The progress already made on the other side of the Atlantic, in furnishing the market there with an independent supply of manufactured articles, although serious, is not yet wholly decisive against us. As yet, the American has only successfully competed with us in one article—that of coarse cottons. The transatlantic manufacturer now enjoys an almost undisturbed monopoly of the whole American market in this article. But the evil does not rest here. The loss of the United States as a market for our coarser fabrics, is a serious blow; inasmuch as it inculcates a fatal lesson for us, in teaching the Americans the possibility of speedily possessing a self-dependent market. But the domestic manufacturer of America does not confine himself to his home market. We now meet him in other

markets, where we were formerly in the undisputed ascendant; and the late experience of most of the British dealers with Brazil, will testify how formidable a competitor he has already become at Rio Janeiro, at Bahia, and Pernambuco.

"In competing for the American market, with the transatlantic manufacturer, the English manufacturer labors under many disadvantages. Some of these are necessarily incident to his position. But there are others which spring entirely from erroneous legislation [on the part of Great Britain.] The tax on raw cotton is one of the most impolitic features which yet characterize our commercial code. Enhancing to an unnecessary extent the price of our productions, it sends them to the American market under every disadvantage—increased as that price already is by transport dues and tariff exactions. Opposed to these disadvantages are the high price of labor and the imperfect machinery in the United States. The latter, under the encouragement afforded by the continuance of restrictions on our intercourse with the Americans, is daily improving in character and capability; and as fast as it improves, the cost of production will necessarily fall. When we consider, in connection with this necessarily gradual diminution in the cost of production, the advantage which the American manufacturer enjoys in the inexhaustible water-power with which he is supplied by a thousand streams, we see at once the magnitude of the danger we incur by adding one inducement more to drive him into competition with us in the manufacture of the finer fabrics, which circumstances might render successful more speedily than we may now anticipate.

"But, after all, the American manufacturing system has hitherto been driven on by circumstances. Necessity impelled the Americans to manufacture—a necessity to which we ourselves gave rise. We persevere in so doing; but there is yet time for serious consideration, for wise and prudent action. If our trade were free with her, America is at this moment in a condition to offer us a most profitable exchange. She is abundant in every species of grain, but, considering the vast extent of her wants, deficient in goods. England has her stores crammed with the wares by which those wants might be supplied. Whither will she send them?"

The solicitude felt in Great Britain in the election of 1844, showed that they were fully aware of the tendency of our protective tariff to relieve this country from its dependence

on British capital and labor for the necessaries and comforts of life. A London paper, in 1844, deprecated the election of Mr. Clay, because he was identified with the cause of the Whigs and the manufacturers, "who aim at acquiring a monopoly of the home market by prohibitory duties." It added:

"Nor can we wonder that such is the policy of the most respectable and intelligent statesmen of America, when we consider that by our corn laws we shut the door in the face of any attempt to negotiate a commercial arrangement on the footing of a fair and substantial reciprocity. We take from the United States but that which we can not possibly do without—their cotton and tobacco; excluding the staple products of the great agricultural States of the West, by a sliding scale ingeniously framed, so as to throw the maximum amount of impediment in the way of access to the English market.* Is it to be wondered at, then, that they retaliate, and meet high duties on American flour by high duties on English manufactures? A liberal commercial policy three years ago, would have prevented the passing of the restrictive tariff of the United States, and would have given a decided ascendency in that country to free trade principles and the free trade party. A liberal commercial policy adopted ten years hence, may fail to recover what previous blunders have lost us. To offer to admit American and German corn in exchange for British manufactures, when the manufacturing system of Prussia, Saxony, and New England have acquired strength and become consolidated, will be very like what the old saying describes as 'barring the door after the horse is stolen.'"

But clearer evidence of the deep interest they felt in the result of our election, was furnished in their meditated coöperation with the anti-tariff party to defeat Mr. Clay and the Whigs.

The London Times stated that a subscription had been opened to raise funds to circulate free trade tracts in foreign countries; and that some of these tracts were to be printed in New York for circulation in the United States. Another British paper gave an account of the proceeds and subscrip-

* Some readers may not understand the nature of this "sliding scale," established by the famed English "corn laws," and intended to shut out all foreign grain, except only in times of extreme scarcity to prevent starvation. This scale, as it stood in 1842, will be found on a subsequent page. *Corn* is a general name for wheat, rye, oats, barley, and Indian corn.

tions at a meeting in Manchester, where a large sum was raised for the purpose above mentioned.

In reference to these proceedings in England, an American paper observed:

"We ought to expect that foreigners will make every exertion in their power to obtain control of our markets. They find that other nations are beginning to do their own labor. They buy of them less and less every year. It thus becomes a matter of the utmost importance to persuade other nations, if possible, to abandon the protective policy. Like expert and skillful salesmen, they use every means in their power to make us believe that they can sell us goods on much better terms than we can make them ourselves."

To what extent, or whether to any extent or not, the designs of the British to influence our election were carried into effect, we have not the means of knowing; our object in alluding to the movement, which was undoubtedly made as stated in the English papers, is to show the deep concern felt in that country, in the election of 1844, which would probably determine the important question, whether our tariff policy was to be continued or overthrown. From the accounts in the British papers, the rejoicing at Mr. Polk's election was principally by the free trade party, who believed that he would "popularize the tariff, and place the commerce of the two countries on a more liberal and satisfactory basis."

Although the election secured to the Democrats majorities in both branches of Congress, and was regarded by the friends of the tariff as in some degree ominous, the hope was entertained, that, as in the case of McKay's bill, from the want of unanimity among the Democratic members, the act might safely pass the ordeal to which it was evidently destined. Perhaps that hope was strengthened by the presumption, that the continued beneficial operations of the tariff would diminish the number of its opponents.

The friends of the tariff professed entire satisfaction with its practical working. Manufacturing continued to increase. Among other manufactures, that of woolen carpets had received a new impetus, and the market was mainly supplied by the domestic fabric, and at prices as low as those of even an inferior article formerly imported. For example: Brussels and three-ply, in 1841, under the reduced duty imposed by the compromise act, of about 33 cents per square yard, cost $1 60 to $1 65 a yard. In 1844, the duty was 65 cents on three-ply, and the price $1 50. The duty on Brussels was

55 cents, and the price was $1 25. Ingrain and Venetian, under the reduced duty of 27 cents, cost 80 cents. In 1844, when the duty was 35 cents on ingrain and Venetian, the price was 65 cents. What rendered the contrast more striking, is the fact, that, in 1841 and 1842, trade was depressed, and mechanical labor in comparatively little demand.

Wool also had been favorably affected. The importation had largely fallen off, and the home production increased both in quantity and price. In the Eastern markets, the price of Saxony in 1844, was 50 to 55 cents; of full blood, 45 to 47; one-quarter blood and common, 37 to 40; being an advance of about 30 per cent.

Hemp had been little cultivated, except in Kentucky; and nearly the whole production had been used in the manufacture of cotton bagging and bale rope. The country had been dependent mainly on Russia for supplies for ships' cordage and other purposes. Our imports in 1840, were $686,777; in 1841, $600,201; in 1842, $267,849; in 1843, (nine months,) $228,882. In 1844, the cultivation had been extended to Illinois and Missouri. The rapid increase of the cultivation of this article appears from the following statement of hemp received at New Orleans: In 1842, 1,214 bales; in 1843, 15,000 bales; in 1844, 38,000 bales, or about 5,000 tuns; the increase being almost exclusively from Illinois and Missouri. Under a protective duty of $40 a tun, the price was at one time reduced to $55 a tun.

The price of scarcely any article experienced a greater reduction than that of cotton bagging; an article used only at the South. The price at Louisville, Ky., was in 1841, 26 cents, which was 4 cents higher than in 1840; in 1842, 16 cents; in 1843, 13 cents; in 1844, 10 cents; and yet a proposition was made in Congress to take off the duty on cotton bagging and gunny bags. The manufacture had been greatly increased by the protection afforded by the tariff of 1842.

The iron business increased with a rapidity never before known in this or any other country. The price of iron, which had considerably fallen, advanced considerably in 1845, in consequence of the unprecedented demand occasioned by the European railroad mania and other causes. In the State of Pennsylvania, the number of manufactories was very greatly increased. From Hunt's Merchant's Magazine it appeared, that, in 1845, there were in the United States 540 blast furnaces, producing 450,000 tuns of pig iron; 951 bloomeries, forges, rolling-mills, &c., yielding 291,600 tuns of bar, hoop,

and sheet boiler and other wrought iron, 30,000 tuns blooms, 121,500 tuns castings. The consumption of iron in the crude state, was estimated at $42,000,000 per annum. The amount produced in all continental Europe was only about 700,000 tuns. The quantity imported into the United States in 1844, was 99,384 tuns, valued at $3,484,499.

John Quincy Adams, in an address to his constituents, in October, 1844, said: "The tariff of 1842 has wrought wonders for the purposes for which it was enacted—the procurement of an adequate revenue, and of protection for the native industry and free labor of the land. It has fully performed its promise in the production of revenue. It has restored the palsied credit of the nation, filled the coffers of the Treasury, provided ample means for defraying the current expenses of the years 1842, '43, '44, and '45, and already paid off a large proportion of the heavy debt contracted by the preceding administration. But the tariff has also afforded protection to the free labor and native industry of the country; and this, strange to say, is the source of the strongest opposition to the enactment of the tariff when it was carried through, and is now the most efficient for forcing its repeal.

"Protection is the price of allegiance. Protection is the object for which all government is instituted. When a government ceases to protect, it must cease to claim obedience or submission. . . Protection was the great and all embracing cause, I might say, the only cause, of the enactment, by the people, of the Constitution of the United States. . . The very first act of the first Congress, after its organization, was an act for raising revenue, and for the protection and encouragement of manufactures. Who then dared to question the constitutional right of manufacturers to encouragement and protection? The next act was one for imposing duties on tunnage. This also was an act for levying revenue; but its primary object was protection—protection specially to ship-builders—to agriculture, by providing a market for timber, iron, sail cloth, cordage, hemp; to commerce and navigation. All this was done by laying a heavy duty on the tunnage of foreign ships, and a very light one upon our own. These acts as measures for raising revenue, were for protection to the whole Union."

While the people of the Northern States were rejoicing in the beneficent effects of the tariff upon the industry of the country, the South complained as bitterly as ever of oppression and unequal taxation. The tariff was denounced in pub-

lic meetings in several of the districts in South Carolina, and anti-tariff associations were formed, with a view to a more systematic and effective opposition. At a meeting in the Beaufort district it was

"*Resolved*, That we believe it the duty of South Carolina to redeem her solemn pledges, not to submit to a tariff of discriminating duties with a view either to direct or incidental protection, which we regard as unconstitutional and oppressive.

"That we believe it the duty of the Legislature, at its next session, to call a Convention of the State, to assemble not later than May, 1845, to which body shall be left the mode and measure of redress, and whose decision as representing the sovereignty of the State, we pledge ourselves to sustain."

This is a fair specimen of the feeling and sentiment expressed at public meetings and by a portion of the public press in that State. The recent tariff was pronounced "one of the most flagrant breaches of one of the commonest rules of honesty that ever has been perpetrated in the legislation of a free country. The compromise act was a pledge to the opponents of the tariff, and to every friend of the Union, that that kind of legislation which had endangered the peace of the country should be no more resorted to."

The project of a Convention of the Southern States to consult on some plan of resistance was proposed; but after some discussion through the public press, and after due deliberation, the scheme was abandoned. It was deemed the wiser policy to await the installment of the new administration.

At the next session of Congress, 1844–1845, the last under Mr. Tyler's administration, no effort was made to repeal or modify the tariff.

## CHAPTER XV.

**President Polk's messages on duties. Secretary Walker's report. Debate on the bill in the House—passed by the House. Debate in the Senate, and its passage.**

THE inauguration of James K. Polk took place the 4th of March, 1845. In his Inaugural Address, he alludes to the subject of protection, thus :

"In exercising this power [of taxation,] by levying a tariff of duties for the support of Government, the raising of revenue should be the object, and protection the incident. To reverse this principle, and make protection the object and revenue the incident, would be to inflict manifest injustice upon all other than the protected interests. In levying duties for revenue, it is doubtless proper to make such discriminations within the revenue principle, as will afford incidental protection to our home interests. Within the revenue limit, there is a discretion to discriminate ; beyond that limit, the rightful exercise of the power is not conceded. . . The largest portion of our people are agriculturists. Others are employed in manufactures, commerce, navigation, and the mechanic arts. To tax one branch of this home industry for the benefit of another, would be unjust. No one of these interests can rightfully claim an advantage over the others, or to be enriched by impoverishing the others. In exercising a sound discretion in levying discriminating duties within the limit prescribed, care should be taken that it be done in a manner not to benefit the wealthy few, at the expense of the toiling millions, by taxing lowest the luxuries of life or articles of superior quality and high price, which can be consumed only by the wealthy ; and highest the necessaries of life, or articles of coarse quality and low price, which the poor and great mass of our people must consume. . . A spirit of mutual concession and compromise in adjusting its details should be cherished by every part of our wide spread country, as the only means of preserving harmony and a cheerful acquiescence of all in the operation of our revenue laws."

In his annual message to Congress in December, 1845, the

President recommended "suitable modifications and reductions of the rates of duty imposed by our tariff laws." He said that "the discriminations should be within the revenue standard, and be made with the view to raise money for the support of the Government;" and then proceeds to define the term *revenue standard*—which is done in a manner perhaps never done before, if, indeed, the service had ever been attempted. The following is his language:

"It becomes important to understand distinctly what is meant by a revenue standard, the maximum of which should not be exceeded in the rates of duties imposed. It is conceded, and experience proves, that duties may be laid so high as to diminish or prohibit altogether the importation of any given article, and thereby lessen or destroy the revenue which, at lower rates, would be derived from its importation. Such duties exceed the revenue rates, and are not imposed to raise money for the support of Government. If Congress levy a duty for revenue, of one per cent. on a given article, it will produce a given amount of money to the Treasury, and will incidentally and necessarily afford protection or advantage, to the amount of one per cent., to the home manufacturer of a similar or like article over the importer. If the duty be raised to ten per cent., it will produce a greater amount of money, and afford greater protection. If it be still raised to twenty, twenty-five, or thirty per cent., and if, as it is raised, the revenue derived from it is found to be increased, the protection or advantage will also be increased; but if it be raised to thirty-one per cent., and it is found that the revenue produced at that rate is less than at thirty per cent., it ceases to be a revenue duty. The precise point in the ascending scale of duties at which it is ascertained from experience that the revenue is greatest, is the maximum rate of duty which can be laid for the *bona fide* purpose of collecting money for the support of Government. To raise the duties higher than that point, and thereby diminish the amount collected, is to levy them for protection merely, and not for revenue. As long, then, as Congress may gradually increase the rate of duty on a given article, and the revenue is increased by such increase of duty, they are within the revenue standard. When they go beyond that point, and, as they increase the duties, the revenue is diminished or destroyed, the act ceases to have for its object the raising of money to support Government, but is for protection merely.

"It does not follow that Congress should levy the highest

duty on all articles of import which they will bear within the revenue standard; for such rates would probably produce a much larger amount than the economical administration of the Government would require. Nor does it follow that the duties on articles should be at the same or a horizontal rate. Some articles will bear a much higher revenue duty than others. Below the maximum of the revenue standard, Congress may and ought to discriminate in the rates imposed, taking care so to adjust them on different articles as to produce in the aggregate the amount which, when added to the proceeds of sales of public lands, may be needed to pay the economical expenses of the Government."

Many of the provisions of the act of 1842, the President said, were in violation of these principles; the duties on some articles being prohibitory, and on others so high as to diminish importations, and to produce a less amount of revenue than would be derived from lower duties. They operated, he said, as protection merely, to one branch of industry, by taxing other branches.

The minimums and specific duties, too, he considered objectionable. The act was so framed as to throw the greater share of the burden on the poorer classes.

The Secretary of the Treasury, Robert J. Walker, in his report, discusses the tariff question very elaborately; and in suggesting improvements in the revenue laws, adopted the following principles:

1st. That no more money should be collected than is necessary for the wants of the Government, economically administered.

2d. That no duty be imposed on any article above the lowest rate which will yield the largest amount of revenue.

3d. That, below such rate, discrimination may be made, descending in the scale of duties; or for imperative reasons, the article may be placed in the list of those free from all duty.

4th. That the maximum revenue duty should be imposed on luxuries.

5th. That all minimums, and all specific duties, should be abolished, and *ad valorem* duties substituted in their place; care being taken to guard against fraudulent invoices and undervaluation, and to assess the duty upon the actual market value.

6th. That the duties should be so imposed as to operate as equally as possible throughout the Union, discriminating neither for nor against any class or section.

Perhaps few reports on this subject have been more severely criticised than this report of Secretary Walker. In the National Intelligencer appeared a review of this Document by "A member of the 27th Congress," from which we copy, in a condensed form, a few paragraphs:

He [the Secretary] thus states the object of the protective system:

"A protective tariff is a question regarding the enhancement of the profits of capital; that is its object; and not to augment the wages of labor, which would reduce those profits. It is a question of per centage, and is to decide whether money vested in our manufactures should, by special legislation, yield a profit of ten, twenty, or thirty per cent., or whether it shall remain satisfied with a dividend equal to that accruing from the same capital when invested in agriculture, commerce, or navigation."

It is difficult to say whether the above paragraph betrays a greater degree of ignorance of the objects for which the protective principle was adopted and ingrafted into our revenue system, or of the most common and universally admitted principles of political economy. The protective system was not introduced or advocated by the possessors of capital, nor for their benefit. It is a well known fact that they were, with few if any exceptions, opposed to it. It was the patriotic democracy of the country which advocated and introduced the system. What was the argument? The country is wholly agricultural and commercial. In the existing policy of the world, we produce more than we can sell, except at prices miserably low. We have to buy our clothing and other foreign productions from abroad, at their own prices; in payment of which, we are constantly being drained of our specie, to the derangement of our circulating medium, and paralysis of all business. The proposition is to hold out inducements to the merchants to withdraw a portion of their capital from foreign trade, and employ it in manufactures and the domestic trade of their distribution. We shall thus withdraw a portion of our labor from agriculture, and convert producers into consumers. We shall thus furnish ourselves with at least a portion of the manufactures which we require, by the labor of our own citizens, and pay for them with those productions which we now find no market for, or a poor one. We apprehend the question was never stated in these discussions, whether there was not danger that those who should be drawn into the new occupations would make

too much money; because in those days it was considered a settled principle, confirmed by all experience, that any business yielding profits above the average rates, is sure to attract capital and labor into it, until the profits fall to the general level, or more usually for a time below it.

At any rate, the protective policy was adopted, and men of business employed their earnings in the new occupations to which they were invited by the policy and laws of the country, doubtingly and hesitatingly at first, but afterwards more freely and confidently. The most successful branch, and the one which has absorbed the greatest amount of capital, is the manufacture of cotton. The possession of the raw material on the spot, and the peculiar adaptation of machinery to produce great results in this manufacture, soon made it evident that the cotton manufacture was rapidly to become one of the leading interests of the country. Capital went into it freely and confidently. Its rapid extension has no parallel, and is only equalled in the corresponding reduction in the price of its fabrics. Its success furnishes the only ground of its denunciation. The manufacturers are growing too rich. That is the burthen of the report. *Special legislation* in their favor. "*Another form of privileged orders.*" We regret to see a high officer of the Government descending to use the stereotyped slang of the party newspapers.

In carrying out his views, we find some very extraordinary assertions. For instance: "Experience proves that, as a general rule, a duty of 20 per cent. *ad valorem* will yield the largest revenue." We should be glad to known what experience. Is it that of Great Britain, whose necessities require her to push her duties up or down to what she finds by experience to be the highest revenue standard? Her duty on tea is 2s. 1d., or 50 cents the pound, on all teas without discrimination, being at least 200 per cent. on the cost, producing for the year ending January, 1842, the comfortable sum of £3,978,000 (upwards of $19,000,000) revenue. Her lowest duty on sugar that year was 24s. the cwt., or 5¾ cents the pound, producing a revenue of £5,120,000, about $24,500,000. It is true this duty on sugar has since been reduced, but for relief, not for revenue. Her duties on wines are 5s. 6d. ($1.22) the gallon; rum, 9s. 4d. ($2.08) the gallon; brandy, 22s. 6d. ($5) the gallon; tobacco, 3s. (66⅔ cents) the pound; producing together about $40,000,000, at rates varying from 300 to 900 per cent. on the value.

So much for the experience of England. What is our own?

Our highest tariff was that of 1828. Our greatest revenue was under it for the year 1831, being $30,312,851 net, at rates of duty averaging 41 per cent. on imports subject to duty. [Sec. Doc. No. 3. 28th Congress.] Our lowest tariff was in operation in 1842, being less than 24 per cent. on the dutiable imports, and produced a net revenue for the year, of $12,780,173. So much for our own experience. We think it would puzzle Mr. Secretary Walker to furnish the evidence of what he pronounces to be so clearly proved.

Another assertion of Mr. Walker is, that the wages of labor have not augmented since the tariff of 1842, but that they have in some cases diminished. Now we find on inquiry of the different agencies at Lowell, that the average earnings of the operatives have increased full one-third since the disastrous year 1842, or from $1 50 to full $2 00 per week for females, exclusive of board. But even this does not present a fair view of the full effect of the tariff of 1842 upon labor. At that time the proprietors were receiving no dividends, and waiting for the action of Congress before deciding to stop the mills. Had Congress adjourned without enacting the tariff, more than one-half of the mills in New England would have stopped at once. The reason assigned by the Secretary for his supposed fact, is entitled to some notice. He says: "As the capital invested in manufactures is augmented by the protective tariff, there is a corresponding increase of power, until the control of such capital over the wages of labor becomes irresistible." That is to say, the greater the inducement to build mills, and the greater the amount invested in works which are wholly unproductive without hands to work them, the greater is the power of the mill owners to drive hands into them; in other words, the power of labor to get high wages diminishes in proportion as the demand for it is increased! If a greater solecism was ever put upon paper, we should be glad to see it.

The whole force of the report is leveled against the tariff of 1842, as if that were some new abomination. It is pronounced "unequal, unjust, and oppressive." Now the fact is, the tariff of 1842 was modeled upon the tariff of 1832. That was adopted as the ground work; the principle was the same, as a comparison will show in the following table. [A table is here given of the duties upon the principal articles in the two tariffs.] It will be seen that there was a general reduction on the highest rates of duty. . . . The tariff of 1832 was prepared with great care, on the principle of rais-

ing the necessary revenue, so disposed as to afford protection to our own industry in all its branches. Many of the protectionists, however, were not satisfied with the duty on woolen manufactures, high as it was, as not corresponding with the high duty on wool. The bill passed the House of Representatives by a vote of 132 to 65. It is somewhat curious to find amongst the yeas the names of James K. Polk and Cave Johnson [his colleague.] Of the nays not more than one-half voted against the bill as not high enough on woolens, leaving not more than *thirty* who voted against the bill on principle, consisting of Mr. M'Duffie and his converts to the forty bale theory. In the Senate, the same bill, fortified in the article of woolens by an addition of 7 per cent., passed by a vote of 32 to 16; Mr. Dallas being amongst those voting in the affirmative. Such was the position of the Democracy on the principle of discrimination in favor of protection in 1832. None of its deformities were then discovered. But South Carolina did not like this bill. She adopted a theory that it imposed a tax of 40 per cent. on her exports. She threatened nullification and rebellion. General Jackson, at the next session of the same Congress, proposed a reduction of the tariff in order to appease this froward State. He admitted that "it would seem a violation of public faith suddenly to abandon the large interests which had grown up under the implied pledge of our legislation," and added, "that nothing could justify it but the public safety, which is the supreme law."

Mr. Walker expresses particular dislike to specific duties, including the cotton minimums, which are, in fact, specific duties. In this he goes against the experience of the whole world. He will not find a mercantile man in the whole country to agree with him. The difficulty of guarding against fraudulent invoices has increased with the increase of our trade, and its tendency is to fall into the hands of unscrupulous foreigners, with whom the custom of double invoices is notorious. The carrying out of Mr. Walker's views in this particular would not only put our whole system of revenue in peril, but introduce the widest system of fraud and perjury which the world has ever seen. Many of the continental tariffs, and the famous Zoll Verein in particular, are wholly specific; manufactures of cotton, wool, and silk, being rated by weight. The British tariff admits *ad valorem* duties in the fewest possible cases, and then subject to a home valuation. Mr. Walker's objection that specific duties, and especially the

cotton minimum, throw unequal burdens upon the laboring classes and poor, compared to the rich, has hardly the shadow of truth to support it ; so far as respects the cotton manufactures, not even the shadow. It is a fact which must be admitted by all who look into the matter, that the coarser manufactures of cotton, all which possess substance and are most profitable in use by the laboring classes, are furnished by the American manufacturers on better terms than can be had in any other part of the world. In this they challenge inquiry. The constantly increasing demand for this description of goods in markets in which they meet the British in full competition, would seem to be sufficient evidence of this fact ; unless, indeed, one would adopt the discovery of the sagacious Bundelcund, that *the manufacturers sell their goods abroad at one-half the price which they obtain at home.*

The Secretary quotes from McKay's report to show the high duties payable on certain manufactures of cotton, adding : "This difference is founded on *actual importation*, and shows an average discrimination against the poor, on cotton imports, of 82 per cent. beyond what the tax would be if assessed upon the actual value." Now, with all due respect to Mr. Walker, we must say, *there is no such thing.* He is utterly mistaken. No such importations have been made. No such horrid exaction has been practiced upon the poor. [The reviewer then refers to the authority upon which the Secretary bases his statement, viz., British Prices Current ; and says :] Here we find precisely the same rates of duty, being those which *would be charged* on certain goods, if imported. Amongst them we find "stouts or domestics," (in imitation of ours,) estimated to pay upwards of 100 per cent. duty, whilst they were actually selling lower in Boston or New York than the prices quoted in this very Manchester Price Current.

In the course of the debate on the President's Message, certain portions of the document and the Secretary's report were thus noticed by Mr. Stewart, of Pennsylvania :

The tariff of 1842 had been pronounced by the Secretary unconstitutional, because it exceeded the revenue limit ; as the raising of revenue was the only proper object of such a bill. "Whenever it departed from that object, in whole or in part, either by total or partial prohibition, it violated the purpose of the granted power." Mr. S. referred to the Messages of Washington, Jefferson, Madison, and Monroe, all of whom had expressly recommended the *protection of domestic manufactures ;* and as further confirming the constitutional

power of protection, he quoted from the second annual Message of Gen. Jackson, the following:

"The power to impose duties upon imports originally belonged to the several States. The right to adjust these duties, with a view to the encouragement of domestic industry, is so completely identical with that power, that it is difficult to suppose the existence of the one without the other. The States have delegated their whole authority over imposts to the General Government, without limitation or restriction, saving the very inconsiderable reservation relating to the inspection laws. This authority having thus entirely passed from the States, the right to exercise it for the purpose of protection does not exist in them; and, consequently, if it be not possessed by the General Government, it must be extinct. Our political system would thus present the anomaly of a people stripped of the right to foster their own industry, and to counteract the most selfish and destructive policy which might be adopted by foreign nations. This surely can not be the case. This indispensable power, thus surrendered by the States, must be within the scope of authority on the subject expressly delegated to Congress. In this conclusion I am confirmed, as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have repeatedly recommended the exercise of this right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people."

Yet now Congress was to learn, for the first time, by executive instruction, that they possess no constitutional power to protect our own home industry—no power to countervail the injurious regulations of other countries.

Mr. Johnson, of Tennessee, asked: When the Government protects manufactures, who pays the duties?

Mr. Stewart said, the gentleman and his friends held the doctrine that the consumer always paid the duty; and the Secretary had told the nation that the poor man was taxed 82 per cent. on cotton goods over the rich man; that the poor man was taxed 150 per cent. on his cotton shirt, because there was a specific duty on imported cotton goods of 9 cents a yard. This specific duty of 9 cents was just 150 per cent. on 6 cents, the price paid by the poor man for his cotton. So the practical effect of this horrid tax was that this poor man got a good shirt at sixpence a yard. Those obnoxious minimums had been introduced by John C. Cal-

houn and William Lowndes, of South Carolina, since which, the price had fallen from 36 to 6 cents a yard. On that 36 cents, the tariff laid a duty of 9 cents, which was then but 25 per cent. *ad valorem*; now it was 150 per cent.; and why? Because the price had been reduced from 36 to 6 cents a yard! Let the manufacturer run up the price to 36 cents again, and the duty of 9 cents would fall to 25 per cent.; and according to the Secretary, the oppression would all be over—these friends of the poor man would be satisfied.

Mr. Johnson asked, if the duty brought down the prices of articles, why did the manufacturer want it? and what brought down the price of other goods in proportion?

Mr. Stewart said that other goods not manufactured here—silks, velvets, &c., had not declined in the same ratio; nor had wages or agricultural produce; because the protective tariff had increased the supply of domestic goods by increasing competition, and had sustained wages and agricultural produce by creating an increased demand for both. If the gentleman could comprehend that demand and supply regulate price, it would be all plain to him.

Respecting *ad valorem* duties, Mr. S. said: The duty is fixed, and can not vary. They are always the same. None were imposed by the tariff of 1842 above 50 per cent. How, then, does the President, in his message, get duties of 200 per cent.? Only by converting the specific duties into *ad valorem*. If the duty is 200 per cent., the price must be one-half only of the duty. Thus we are told that glass pays the enormous duty of 200 per cent.; and why? Because the duty is $4 per box, and the price $2 per box. But if the glass went down to $1 per box, the duty would be 400 per cent. The tariff of 1816 imposed a duty of 4 cents a pound on nails. The price was 16 cents a pound, and the duty was equal to 25 per cent. on the price; but the same duty, we are now told, is 100 per cent.; and how so? Because the price has fallen from 16 to 4 cents a pound. This is the principle upon which the Secretary based his statement, that the people paid in all a tax of 84 millions, of which but 27 millions went to the Government, and 54 millions to the manufacturers!

Mr. S. also commented on the declaration of the Secretary, that, "Experience proves that, as a general rule, a duty of 20 per cent. will yield the largest revenue;" and disproved this assertion by the fact, that, under the 20 per cent. duty in 1841–1842, the revenue had fallen to about $13,000,000, and this year it was $27,000,000. And what was the effect

of the 20 per cent. horizontal duty? Under its operation, the country was prostrated; the Government itself was bankrupt; and the people were little better. Yet this man could say, in the face of these well known facts, and of the American people, any of whom knew better, that an average of 20 per cent. yielded the highest amount of revenue. The Secretary has gone even further than this. In his famous Circular he has assumed that 12½ per cent. horizontal was the true revenue standard. Some Western scribbler asked him through the press, how much revenue 12½ per cent. would give him on 100 millions of imports; that being about the average amount. The answer must be, 12½ millions. Then deduct 3 millions, the expense of collection, and but 9½ millions of net revenue would be left to pay 27 millions of expenditures. To make up the revenue, you must add more than 100 millions to your imports, while your whole specie has never been estimated at more than 85 millions. Then all your specie goes for your first year; and where will you get money for the next year?

The truth is, said Mr. S., that the revenue results from and follows the tariff. When the tariff is low, the revenue is low; when the tariff is high, the revenue is high. This is the uniform experience of the country. It must be so; and why? Because the result of protection is to make the people rich; and taking off protection is to make them poor. When men are impoverished, can they purchase freely? Certainly not. When prosperous, their wives and daughters can purchase costly clothing and rich furniture; and then many goods are always imported. But when the country is impoverished by the ruinous policy here recommended, men will wear their old coats; their wives and daughters stay at home and mend them; merchants can not get money to import goods; and the treasury becomes bankrupt.

The report says that protective duties are levied exclusively for the benefit of the rich monopolists at the expense of the farmers and laborers. Now I contend that just the reverse of this is the truth. The practical effect of protection is to increase the number of manufacturing establishments, and thus destroy *monopoly* by promoting *competition;* and that by withdrawing labor from agriculture to manufactures, you not only *diminish the supply*, but at the same time *increase the demand* for agricultural produce, and of course increase its price; whilst, on the other hand, by increasing manufacturing establishments, you increase the supply of manufactured

goods, and of course *reduce* their price; so that the farmer is enabled *to sell for more*, and *buy for less*. If demand and supply regulate price, this conclusion is inevitable. Yet the report says "the tariff is a *double benefit* to the manufacturer, and a *double loss* to the farmer."

The Secretary tells us, that "England has repealed her duty on cotton, and reduced it on breadstuffs." True; but is not this the work of the protective policy? The American manufacturer is abroad throughout Europe with his goods, underselling England even in her own markets. Hence she is obliged to take every burden off her manufacturers to enable them to maintain the competition. Hence she repeals the duty on cotton, and reduces it on provisions, not to favor, but to beat us; not to benefit us, but to save themselves. The Secretary boasts of British liberality, with the notorious fact before his eyes, that, except on cotton, the average duties levied at this moment in Great Britain on all imports from this country, exceed 300 per cent.; while our duties on imports from that country do not average 33. This is British liberality, so extolled by the American Secretary.

England, we are told, will follow our example, if we adopt "free trade." Will she? Hear what she says on this subject through her ministry. The Duke of Wellington recently stated in the House of Peers, that "when free trade was talked of as existing in England, it was an absurdity. There was no such thing, and *there could be no such thing as free trade in that country*. We proceed," says he, "on the system of protecting our own manufactures and our own produce—the produce of our labor and our soil; of protecting them for exportation, and protecting them for home consumption; and on that universal system of protection, it was absurd to talk of free trade."

Upon the President's definition of a revenue standard of duty, and his rule for laying duties, [see extract from the message, page 343,] Mr. S. remarked: The moment an American manufacturer had succeeded in supplying our own market, and begun to thrive, that would prove that the duty was too high for revenue; that it was no longer a revenue duty, but a *protective* duty, and must forthwith be reduced. As the American furnished *more* goods to the country, *less* foreign goods would be imported, revenue would be diminished, and the duty must come down. Under such a rule, what man in his senses would invest a dollar in manufactures? When, by industry and enterprise, he was getting the better of his

foreign competitor, the duty must go down. If a shoemaker or a hatter had got possession of the market, the eye of this free trade system was fastened on him like a vulture. The Secretary found he was doing well, and the duty must be reduced to let in the foreigner. This was their American system. Mr. S. insisted that it was a British system—just such a one as Sir Robert Peel would have recommended.

On the 14th of April, 1846, Mr. M'Kay, from the Committee of Ways and Means, reported to the House, in conformity with the principles of the Secretary's report, a bill to reduce the duties on imports. The bill was a long time under debate, many of the Democratic members being among its most zealous opponents, especially from the State of Pennsylvania.

Mr. McClean, of Pa., Democrat, said: It is sufficient for me to know that the tariff of 1842 works well. The gentleman who preceded me [Mr. S. Jones, of Ga.] says that we should judge the tree by its fruits. I am willing to take him at his word. I can only speak with reference to that portion of the country with which I am more immediately acquainted. And what do I see there? Everywhere around me, in whatsoever direction I may travel, I see the evidences of a prosperous, happy, and cheerful people. Go where I will, I hear the hum of busy industry. I see the evidences of improvement—of prosperity almost unexampled in the history of our country. The farmer has a good price for his produce. The wages of labor are fair. The currency is as good as ever it was; it has never in my recollection been better. The system works well. The tree bears good fruit; and by its fruit it should be judged. And will you rashly make a change in the face of the prosperity of the country? Will you pull down a system which is working so well? I trust not.

We are called upon, as a party, to repeal the tariff. The party cry is raised. The Union [newspaper] is calling on the Democratic party here to come up to the work. We have had lectures upon the subject, time and again. [He here read extracts from the Union, and then proceeded:] As an American, I dislike to see the name of Washington in such an association. In our region of country we are not accustomed to it. I will not ask where the editor got his commission. I might be charged with quoting from the other end of the capital. But, I ask, who mounted this editor with lash in hand, and free trade spurs on his heels, to goad our flanks, and drive us up to the work of repeal? I believe that the

newspaper press in this country should follow, not lead, the action of a free and independent people.

Mr. McIlvaine, of Pa., said, experience had shown that the prosperity of the country had ever been the greatest when the protection afforded by the tariff was the highest; and that it was reduced to the lowest point of depression when the tariff reached the lowest rate of *ad valorem* duties. Who could forget the scenes of 1840, 1841, and 1842, when the cry for employment was heard throughout the country, when all business was at a stand, and all classes of the community felt a general paralysis? The effect of the tariff of 1842 restored universal prosperity, as if by a stroke of the magician's wand. That prosperity still continued. Why, then, repeal the law which had wrought such happy effects?

This bill, he said, discriminated for revenue against protection. The Secretary said: "No duty should be imposed upon any article above the lowest rate which will yield the largest amount of revenue." "A partial and a total prohibition are alike in violation of the taxing power." What was protection? The securing to the producer a market for his produce. Unless the duty laid should restrict importation, it afforded no protection. A *market* was what our people demanded.

This tariff of 1842 spoke for itself. Its effects everywhere bore witness for it. Business of all kinds was now prosperous and healthy; there was no reasonable ground of complaint against the present arrangement of duties. If it were not so, how would Tennessee and Georgia be found in favor of the tariff? Why would a specific duty on sugar be asked to protect Louisiana? If it were not so, why was the tariff so generally favored? Every one who knew Pennsylvania must know that the people of that State never would have voted for James K. Polk as their President, if they had not been imposed upon by men whom they trusted, and who represented to them that Mr. Polk was the advocate of protection. He was objected to at first on the ground that he was opposed to protection; but that statement was expressly contradicted. Here Mr. McI. read the following, [which had been issued during the campaign of 1844:]

"THE TARIFF WHIG DECEPTION.—Henry Clay, by his introduction and support of the compromise act, arrayed himself in opposition to Potts, Heister, Denny, [members from Pennsylvania,] and all the Representatives in Congress from the manufacturing States, and was considered as having ABANDONED the protective policy. Henry Clay, from the passage of the

compromise act down to the present hour, has never uttered a word in opposition to the principles of that anti-protective measure.

"James K. Polk has ever pursued a straight forward and consistent course upon the tariff, as well as upon other questions of national policy, and he is now most decidedly and unequivocally committed in favor of a tariff which shall afford fair and just protection to agriculture, manufactures, commerce, &c.

"It was a Democratic Congress that passed the tariff act of 1816, the tariff act of 1824, the tariff act of 1828, which Henry Clay, to please his Southern friends, denounced. It was a Democratic Congress that passed the tariff act of 1832; it was by Democratic votes that the tariff act of 1842 was passed; and it was a Democratic House of Representatives that refused, in 1844, to disturb the present tariff law.

"In the face of these FACTS, the Whigs have continued to misrepresent the Democratic party and their candidate during the whole campaign."

In this manner, said Mr. McI., was Mr. Polk represented throughout Pennsylvania as the tariff candidate, and the Democratic party as the tariff party, while Mr. Clay and his friends were held up as the bitterest enemies of protection. He regretted that this matter of protection had ever been made a party question. It was a question as broad as the Union, and entered into and vitally affected all the great interests of the country. There was little use in theorizing on a practical subject like this. The people understood the facts; and though they might be deceived as to men, they could not be as to the thing. They found by experience that a protective tariff had furnished real and profitable employment for their labor, as well as a profitable investment for their capital. They had tried both systems, and no theory or theorist ever could convince them that the policy of protecting their industry was wrong. They knew and felt, that whatever threatened the destruction of the tariff, struck at the root of their interest and well being.

Mr. Collamer, of Vt., in commenting upon the President's definition of a *revenue standard*, [also noticed by Mr. Stewart; see page 343,] remarked; that it was the same position taken by Mr. Walker, and both professed to deduce it from the constitution, and to hold, that a tariff which exceeded what they laid down as the revenue standard, was in its very nature unconstitutional. One of the best ways to test the truth of this position would be to get at it by a clear and practical case.

Suppose all the shoes used in America were made in Europe; they were all imported. The Government wishing to raise revenue, imposes a duty of 10 cents a pair on all shoes brought into the country. And suppose that the revenue de-

rived from this duty amounted to a million of dollars; that, according to the President and Secretary, would confessedly yield a revenue duty. The whole mass of shoes used in the country would be brought from abroad, and the duty would shut none out. Now suppose the duty raised to 15 cents a pair, and all the shoes to be still imported. The duty would raise a million and a half of dollars for revenue, provided as many shoes were worn as in the former case. Suppose the government should then raise the duty to 20 cents a pair. Under this duty, some man might say to his neighbor: "We are paying a heavy duty on these imported shoes; can not we make shoes for ourselves? If a war should come, what shall we do? We must go barefooted. Let us try." They do try, and begin to make home-made shoes, and they go on making shoes here, and make money by it. They meet the foreigner in our own market, and undersell him. Unwilling to lose the market, he comes down in his price. They go a little lower still; and he reduces his price also. Suppose now the American manufacturers furnished one-half the American market, what is the effect on the revenue? The half of the market supplied by the foreigner under a duty of 20 cents, produces the same amount of revenue as when he supplied the whole market at 10 cents. Thus, the foreigner possessing one-half of the market, results in the production of less revenue than when the duty was 15 cents. When the duty was 15 cents, the Government got a million and a half of dollars; when it was raised to 20 cents, the Government got but a million of dollars. This exceeded the *revenue standard;* and, according to the Secretary's rule, the tax must be reduced again to 15 cents. According to the report, there was a fixed revenue standard; and as soon as you diminish the duty one cent, you are out of the revenue standard.

The Secretary wished it distinctly understood, that the exact amount of duty which produced the most revenue, constituted the revenue standard. He frequently used the phrase, "the *lowest* duty which produced the *largest* amount of revenue." Now Mr. C. desired to know how this differed from the *largest* duty which produced the *largest* amount of revenue. In the example given, the duty of 10 cents produced a million of revenue; and the duty of 20 cents also produced a million of revenue; while the duty of 15 cents produced a million and a half. The *lowest* duty which produced the highest revenue, and the *highest* duty which produced the highest revenue, amounted to the same thing exactly; so that the

phrase, the *lowest duty*, was introduced as a mere catch-word. Yet this was the rule which he laid down as the fundamental principle to regulate the imposition of duties. But the "lowest rate" was the same as the "highest rate," if both brought the same amount of revenue.

The tariff as it stood produced a revenue of $30,000,000 gross, or about $27,000,000 when the collection was paid for. The Secretary maintained that a reduction of the duty would produce an increase of the revenue. Supposing it would, why destroy the present tariff? Did it not answer the purpose? Did it not produce revenue? What did the Secretary mean when he said that every duty exceeding, in the smallest degree, the revenue point, was a duty "for protection *merely?*" Did not our present tariff, which was a protective tariff, nevertheless produce a good revenue? Was it a protective tariff *merely?* The Secretary in his report gave us no data. There was a good deal of ciphering but no data on which to found it The report put Mr. C. in mind of a story of a certain stage-driver who was very busily engaged in chalking a number of figures upon the hearth, and when asked what he was doing, replied that he was ciphering out how many passengers he was to have by the next day's stage. The Secretary could make a case appear very well on *supposition;* but when it came to data and solid matter of fact, his theory was turned upside down.

Mr. Owen, of Indiana, Dem., after a review of the system of commercial restrictions of England—her partial legislation in favor of classes, companies, &c., called in this country by the less offensive term, PROTECTION—said: Let us apply these lessons of the past. I have spoken of those forms of legal intermeddling with commerce that are antiquated, and have passed away; let us turn to those that are still fashionable, at this day, and in our own country.

Tariff protection is the chief of these. The object proposed by a protective tariff is similar to that which the legislator of former days had in view when he determined rates of wages and fixed scales of prices. Some branches of industry, generally a manufacture, is declared to be in a feeble and drooping condition; its profits too small; its wages too low; its prices insufficient. Politicians go to work to increase the profits and raise the wages and the prices. This they effect by shutting out competition. Formerly a close corporation was the form employed; all but the members of the favored company were forbidden to compete. In our

lays, the monopoly, with some exceptions, is coextensive with the kingdom or republic in which the law is passed; and competition is forbidden, under penalty of fine, to foreigners only. This is a great improvement upon Queen Elizabeth's exclusive patents and close corporations.

Yet the effect produced by these national monopolies differs in degree only, not in kind, from that caused by those exclusive corporations. In both cases the principle is identical. Artificial means are employed to control and divert from its natural channels the current of trade. A certain amount of competition is shut out by law, for the purpose of raising the price of a certain article to its producers, and, of course, to its consumers also. That is the operation and intended effect of all protective tariffs.

To a long vexed question I invite the attention of our opponents in the spirit of the text: "Come now, and let us reason together." In such a spirit I ask the advocates of tariff protection: How far do your views extend? What are your intentions? This policy of imposing taxes, not with a single eye to revenue, but with the express design to shut out competition and raise prices—do you regard it as a permanent policy? You speak of it as patriotic; you still call it American: do you hope to continue, to perpetuate, to ingraft it on our republican system, to transmit it to posterity? You can not do it! History, lifting up her voice of experience, declares to you aloud, that you can not do it. You may legislate against the current for the hour, for the day: that is a thing within human power, like the clock over your entrance door. You may put back the hands of that clock, till it shall seem as if the day grew younger instead of waning. But not less will the sun, without, hold on his apparent course through the heavens; and not less will the inexorable dial, steady to truth, continue to indicate the constant regularity of his progress. Do you still demand proof of these assertions? Then I ask you briefly to review the history of the American protective system; to trace its rise; to follow out its progress; to note the symptoms, not to be mistaken, of its decay.

Mr. O. alluded first to the first tariff bill, in 1789. The young republic had just brought to a close an expensive war, and incurred a debt of nearly $80,000,000; and her manufactures were in their infancy. Yet the duties were only from 5 to 15 per cent. They were slightly increased in 1790, and again in 1794, and for many successive years. Through-

out nearly the first quarter of a century after the establishment of our Government, no *ad valorem* duty whatever, higher than 20 per cent. was imposed, except on a single article of luxury, wines; and the specific duties were on a scale of similar moderation.

In 1816 it was that we first began to copy, from England, the policy of protection for protection's sake, and to raise the scale of duties without reference to revenue. This foreign plant seemed to thrive, for a brief space, in republican soil. The tariff of 1820 failed, it is true; but in 1824, and again in 1828 and 1832, the system, christened, in very defiance of its parentage, *American*, was sanctioned and extended. One thing, however, ought to be remembered. The first tariffs of moderate duties, framed on a revenue scale, passed with a degree of unanimity unknown in modern days.

The majorities continued large until the protective doctrines of 1816 were flung, as a firebrand, into our legislative hall. From that moment they diminished. Bitter quarrels, ending in lean majorities, mark the entire period of our high protective tariffs. That of 1824 passed, in a House of 209 members, by a majority of 5 only, and in the Senate, of 4: that of 1828, by a majority of 9 in one House, and 5 in the other. The tariff of 1832 obtained a somewhat better vote; but it had not been a law six months until it kindled, throughout the Union, scenes of sectional strife such as no other question—not that of slavery itself—has ever had power to call forth in this republic. It brought upon us the days of nullification. Dark and perilous days! when each courier that sped from the South might come charged with tidings of wo and of blood. The boldest looked on with dismay. The most hopeful half despaired of the republic. . . Is that an American system that sows hate in the hearts of freemen; that makes brother the enemy of brother; that arrays section in opposition to section; that arms a State against the Confederacy?

The distinguished father of that system himself felt, when the day of trial came, that it was *not* American; that it could not live on in a republican atmosphere; that, after a brief time, it must be uprooted, and cast away. Mr. Clay saw Mr. Verplanck's bill making its way through the House. He bowed, as all men must, to the fiat of necessity; but he did more; he gave way gracefully, in good temper, in good season. Henry Clay and John C. Calhoun together voted for the compromise bill; and South Carolina disbanded her troops

and returned—if of a sovereign State the expression be permitted—returned to her allegiance.

The nine years of graduated reduction of duties, under the compromise, ran out on the 30th of June, 1842; and thus the day for the final ratification of that "treaty of peace and amity" arrived. Its pledge—morally binding, if ever legislative pledge was—was to the effect that, after the said 30th day of June, imports should be "admitted to entry subject to such duty, not exceeding 20 per cent. *ad valorem*, as shall be provided for by law." It is a fair inference from the general tenor of the act, that, in case of actual deficiency of revenue, but in no other, this limit might be exceeded. This low maximum, it is proper to remark, was coupled with a home valuation, cash duties, and a prospective free list.

Mr. Clay held out, for a time, against the Home Leaguers. On the first of March, 1842, he said in the Senate, the provisions of the law," [the compromise,] "ought not lightly to be departed from." Yet, as the day of final decision [of the tariff bill] more closely approached, the father of the protective system, pressed, perhaps, by the rash urgency of friends less clear sighted than himself, Mr. Clay, in his Lexington speech of June 9, 1842, permitted himself to say: "Another remedy, powerfully demanded by the necessities of the times, and requisite to maintain the currency in a sound state, is a tariff which will lessen importations from abroad, and tend to increase supplies at home from domestic industry." This was a distinct relapse into the old exploded abuse.

This seems to have been the signal for a concerted assault on the compromise and its principles. The embarrassments of the day aided the project, and privilege had one brief triumph more. The tariff of 1842 was passed. . . Under the pressure of necessity, as it were, the measure won its way with extreme difficulty to the statute book. Twice it was defeated in the House by the casting vote of the Speaker; and it succeeded there at last by a reluctant majority of two stragglers, their votes coming in at the last moment, even after the decision had been announced.

In the Senate it passed by a bare majority of one—Mr. Wright and Mr. Buchanan both voting for it under protest. Mr. Wright "assumed that this bill must pass in the form it now bears, or that no revenue law could pass at the present session."

The bill now before us concedes much to interests hitherto privileged; and proposes moderate reform only. Its aver-

age rate, as nearly as can now be ascertained, will be about 24½ per cent.; and thus the average of all its duties, high and low, taken together, is, in fact, 4½ per cent. higher than the very highest contemplated by the compromise. Its principal schedule, including the staples of iron, coal, woolen goods, clothing, carpeting, saddlery, paper, wines, and many other staples, is put at 30 per cent.; being a tax higher by one-half than the maximum of the compromise. Cotton and silk goods bear a duty of 25 per cent. Its duties are wholly *ad valorem*, the only fair principle of taxation; and in this it but carries out one of the pledges of the compromise, of which the equity has been repeatedly acknowledged by Mr. Clay.

I am the friend of compromise and conciliation. In that spirit has the present proposal to modify the tariff been framed by its projectors. In that spirit let our brethren from the manufacturing States come half way to meet us; and we may once more, with the unanimity of the olden time, pass a revenue law by a majority so large, that there will be little motive or disposition, for many years to come, to alter its rates or disturb its provisions.

Mr. Collin, of N. Y., Dem., advocated the bill. He said: I have made some minute calculations upon the revenue that would accrue under the provisions of the bill under consideration, and I have ascertained that even if the commerce of the country should not be increased, yet the reduction of revenue would be too small to be for one moment taken into account, in the comparison, to the benefit that would accrue to the interests, the morals, the whole industry of the country. Statistics show us that it requires eight times as much labor, and five times as much capital, in a given amount in agriculture, as are required in the same amount in the manufacture of woolen goods. Each of the other protected interests does not vary materially in this estimate from that of the woolen manufactures. If it should be argued that manufactures require protection in consequence of the cheap interest on capital in Europe, it must be answered, that agriculture has five times greater reason to require it. If it should be argued that manufactures require protection in consequence of the high price of labor, it must be answered, that agriculture has from six to eight times greater reason to require it for the same cause. And yet the Congress of the United States is gravely debating whether the country ought not to be taxed for the benefit of manufactures. The gentleman

from Pennsylvania, [Mr. Stewart,] in advocating that tax, says it is no party question. Gentlemen should never have dignified it by the name of an American question. It is a question, sir, that has more of the characteristics of the Arab —it is a great question of plunder.

England, deprived of the resources of continental Europe and of America for her bread-stuffs, began a conflict with nature to try to raise them herself. We, too, had adopted many artificial substitutes for those facilities which nature or circumstances had seemed to deny us. Such was the state of things at the establishment of universal peace in the year 1815. In each nation, large capitals had been invested, through the necessity of the case, in enterprises which must have been sacrificed, by coming into equal competition with those more favored by nature and circumstances in the same pursuits. Under these circumstances, the first laws of any magnitude were passed, securing a monopoly of interest to any one class of men, and throwing embarrassments in the way of commercial prosperity. But these restrictive laws were never intended to be permanent; but to remain only till men had indemnified themselves for their capital invested, and then to abandon or pursue them, as circumstances and experience would justify. It was with such views as these that the patriotic Democracy of the country favored and passed the laws of 1816 and 1824. Since 1830, that same Democracy conceived that the experiment had been tried long enough; that the country had endured taxation for a privileged class as long as justice and experiment could require.

Mr. C. examined the condition and extent of some of the leading manufacturing interests, especially those of wool and iron, and the effects of the protection they had received—one of which was the increased prices of the articles protected. It is strange, said Mr. C., that it ever should have been claimed that an increase of duties did not increase the price of goods to the consumer. To question it is preposterous; and the subejct is one that need not be left to abstract reasoning, but is susceptible of actual demonstration. Those who contend that the price is not increased to the consumer, say that the foreigner pays the duty. Now, in order to have the foreigner pay the duty, the price of imported goods must fall in the foreign market to the amount of the increase of duty. By comparing the prices of those foreign imports upon which the duties were increased by the act of 1842, in our

commercial records, in seven cases out of eight it will be found, that the foreign valuation on those imports was higher in 1845 than it was in 1841. In most of the cases where there has not been an actual increase, the price has remained stationary. This, sir, proves beyond cavil, that the foreigner pays no part of those increased duties. It will be seen also, that upon those products upon which the duties have been increased, in nine cases out of ten there has been a corresponding increase in the price in commercial cities; showing conclusively that the increase of duties not only taxed the consumer on the imports, but on the whole of such productions, whether of foreign or of home manufacture.

But, sir, this increase of duties produces to the people of this country a greater injury than the increased price of goods to the consumer. That injury is the reduction in price upon all the fruits of agricultural labor. I have made an estimate from our records of the difference in price upon almost all the productions of agriculture between the years 1841 and 1845; and I will have published, for the information of the people of this country, the result. The gross amount of exports (estimated) is $75,954,528. At the prices of the same products in 1845, they would have sold for $32,839,859 less, or at a loss of 43 per cent. This is the evidence of that prosperity so much vaunted on this floor. This is the fruit of that tariff so loudly lauded here. Let gentlemen examine the records, and they will convince themselves, that though the manufacturers are heaping up their millions, the country is suffering; that the law giving bounties to manufacturers is sapping the very foundation of the prosperity of the country.*

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* Of the amount of exports here given, $75,954,528, more than four-fifths, or $61,869,918, were received for the three Southern staples, cotton, rice, and tobacco, on which the estimated loss was $29,777,144, being more than 48 per cent.; leaving only $14,584,610 for all other productions, on which the estimated loss was $3,062,715, or less than 25 per cent. As the South has the monopoly of the market both in this country and Europe, for her great staples, it is not easy to conceive how the tariff could depress their value nearly *one-half*, if at all. Of the value of these staples, cotton constitutes $51,739,643, on which is estimated a loss of $24,599,530. Is it at all probable that this depression of the price of cotton could have been caused by the tariff?

Of the other articles of exports, flour is the greatest in amount, $5,898,593; estimated loss about 12 per cent. only; which is not a greater variation than has often occurred from other causes than tariffs. On pot and pearl ashes, there is set down a loss of just *one-half*. Is it probable that

Mr. Rockwell, of Con., maintained that the manufacturers, as a class, had not been benefited by the protective policy; that their profits had not only not been as large as those stated in the Secretary's report, but had not been equal to the lowest legal rate of interest in the country; and he adduced testimony from several reliable sources in confirmation of his declaration. He said: The outcry is often made against the capitalists engaged in the manufacturing business; and the Secretary of the Treasury joins in and encourages the idle clamor. It is true, that for two years the profit of the cotton manufacturers has been large, but not as large as in great Britain itself, during the same time; and the result has been what it always will be, that a large number of persons are now rushing into the business, and before this Congress shall cease to exist—if there could be any security that the tariff would be undisturbed—the number of cotton spindles in operation would be fifty per cent. more than there were a year since. Does not every body know that, with the enterprise, and skill, and energy of the people of this country, no one branch of business can, for any length of time, exceed in profits the average of the profits of other branches? Competition is *sure* to reduce prices and profits. The result is an inevitable one; and to contend the contrary, is to show the grossest ignorance, not only of the uniform operations of trade, but of the operations of the human mind, and of the motives which govern it. How absurd, then, is it to contend that the object and effect of protection is mainly to benefit capitalists, or that such has been the result in the protection to manufacturing and mechanical labor incidentally afforded.

Mr. R. also maintained that the laboring classes had been greatly benefited, and the wages of labor had been thereby increased, at the same time that the expenses of subsistence had been diminished. Every one would know beforehand that this must be the result. If increased activity is given

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the price of this product was reduced one-half, or if it was, that the tariff could have done it? On the article of ginseng, $177,146, the loss is estimated at $165, 717, almost a total loss! The export of flax-seed was $81,978, on which the table shows a loss of $214,602, or two and a half times greater than the amount exported! Exports of hops, $90,341; loss, $54,204. Since the tariff act of 1846, which Mr. C. was then advocating, hops have fallen in price from 40 cents to 7 cents a pound. Was this caused by the tariff? Over production or scarcity is a more frequent cause of fluctuation in prices of agricultural products.

to manufacturing or mechanical business, and there is consequently an increased demand for laborers, does not every child know that this has a direct tendency to enhance the price of wages? and, on the contrary, if by the reduction of the tariff, or any cause, the business is rendered unprofitable, that the employer must, as a matter of course, close his mill or his workshop, or reduce the price paid to the persons employed? But the reckless assertion of the contrary by the Secretary, is not only unsound in principle, but untrue in fact. It is not true that the wages of male or female labor have diminished in consequence of the protective system; but precisely the contrary is true. [Mr. R. here referred to prices taken from manufacturers' books at different periods, showing that wages had increased.] What the effect would otherwise have been of the opening of the fertile West upon the prices of the productions of the old States, and consequently the wages of labor, any one can form his own opinion. And it is one of the most surprising and beneficial results of the introduction of manufactures, that a market has been afforded in the neighborhood of the factories for the products of the farmer, and the price has remained nearly the same for the last forty years. On the other hand, every article of clothing has declined in price; so that the dollar now paid to the laborer will purchase from thirty to fifty per cent. more of all the necessaries of life than in 1816, and of the ordinary cotton cloth and calicoes, more than three times as much.

These facts are well known to persons residing in the manufacturing sections of the country. There is not on the face of the globe a class of laborers so well paid, or who, from their high moral character, education, intelligence, and industry, deserve to be so well paid, as those engaged in the various branches of labor in this country. There are no paupers in any of them; and they are, as a class, unusually free from all forms of vice. You see a thriving, industrious, happy population. The accumulations of labor in the factories are deposited in savings banks, which are now every where to be found.

The following statement shows the amount of the deposits in the savings banks of Massachusetts, and the income from year to year:

| | | | | | |
|---|---|---|---|---|---|
| 1841, | No. of depositors, | 30,832 | Amt. deposited, | | $6,485,424 |
| 1842, | " " | 41,102 | " | " | 6,675,878 |
| 1845, | " " | 54,256 | " | " | 9,214,964 |

Similar has been the result in my own State, with the operatives of which I am familiar, although I have not in possession the precise amount of deposits or number of depositors.

If it is said, as it is, that the wages of labor have diminished since the tariff of 1842, I deny the fact. I know, personally, from the manufacturing region from which I come, that it is not true. The same testimony is also furnished from Lowell, and the same facts exist in every part of the country. Why, sir, there is not a girl in one of those mills who would be guilty of such folly as to suppose for a moment, that when the demand for laborers is increased, the price of labor will be thereby diminished, or will not be, on the contrary, increased. Some of these political philosophers, these closet politicians, these wise custom-house officers, and learned Secretaries, could learn some very useful lessons in political economy, and common sense, too, from the women and children in a cotton mill.

I beg to ask these men, after deducting the very moderate profit received by the capitalists, Who have received the enormous sums which have been expended in the erection of mills and machinery, and the annual prosecution of the work? It is found in the various forms of labor—the brickmaker and bricklayer, the carpenter, the lime-burner, the nail-maker, the painter, the glass-blower, the stone-mason, the common laborer, the farmer who raises the food to feed these men, are first employed; and these, together with the makers of machinery, the builders of the dam and water-wheel, or steam engine, receive what is called the *capital* paid in and permanently invested; and the laborers in the mills, and the grower of the raw materials, the transporter and other intermediate *laborers* receive as their pay the sum received from the sale of the goods after deducting a profit, if there is one, to the capitalist. If there is no profit, they receive the whole. If the business is a losing one, they receive the whole, and receive something in addition.

But, it is said, the poor laborer is enormously taxed for the necessaries of life—especially his clothing—and is thereby grievously oppressed. I do not know a laborer, sir, who would not laugh in the face of any man who should address him with such language. He might be mistaken; but he would consider such person either very foolish, or not very honest. The truth is, the fact is not so. There is no country in the world where the laboring classes can be clad as

cheaply and as well as in this country. I make the declaration understandingly; and the most rigid scrutiny will sustain the correctness of it. It is not true that the tariff of 1842 is oppressive to the poor. The duties are almost entirely raised from articles which are luxurious. So far as the duties are apparently high upon the coarser cloths, they are entirely inoperative, because we can make such articles cheaper than they can be made abroad; and a conclusive proof of that is, that we undersell Great Britain herself in China, South America, and India, until a duty was imposed to protect English goods. If there is any exception, it is sugar, where the duty is a heavy one; but as tea and coffee are free, it is not oppressive; and the competition in the sugar culture, as in every thing else, will soon reduce the price.

Mr. R. spoke of the interest of the agricultural classes in the protective system. The benefit to the farmers in the vicinity of, or in the midst of, a mechanical or manufacturing population, no one can have the hardihood to dispute. Its benefits are shown in the ready markets, without distant transportation, for the infinite variety of articles which would otherwise find no market at all, or at reduced prices, and at a distance. These articles, individually small, and often unnoticed, in the aggregate often constitute the principal market of the farmer—such as wood, grains of some kinds, hay, fresh meats, butter, cheese, fruits, vegetables, and similar articles of daily household consumption.

But it is said, that in the new States at the West they have few manufactures; and the cultivators of the soil have there no interest in common with the mechanic and manufacturer. I deny it. Who have been the consumers of the Western products? Where have they heretofore found a market for their surplus products? Has it been abroad? The whole amount of agricultural productions exported during the year, to all the nations of the globe, with the exception of rice, cotton, and tobacco, as shown by the annual report of the Secretary of the Treasury on commerce and navigation, was $16,000,000. What has been the amount consumed at home? The home market is the great market; the home commerce is the most valuable commerce of any country.

But, it is said, that Sir Robert Peel has at last succeeded in opening the English ports to foreign grain. And what then? If this furnishes any market for our produce, I shall re-

joice at it.* The policy, I have no doubt, was a wise one for Great Britain to pursue, if she wished, as she does, to foster her manufactures, and to retain her ascendency as a manufacturing nation, now assailed every where on the continent of Europe. Her policy has always been to admit the raw material duty free. It is on this principle that she now admits, at low duties, necessary food, one effect and object of which is, to enable her to manufacture at cheaper rates. Her manufactures have been established by the protection of ages. They have now the benefit of the utmost skill, of cheap capital and cheap labor, and are not in danger of serious competition at home. But does any man in his senses suppose that, if the taking off of a duty would prostrate or seriously injure the manufacturers of England, she would take off that duty?

But there can be no very great advantage to our farmers from the repeal of the corn laws. The average amount of wheat imported into Great Britain from abroad, does not exceed 15,000,000 bushels. And if, when we had a heavy discrimination in our favor through Canada, we could not compete with the nations on the continent of Europe, who are heavily taxed, what reason have we to suppose that we can do so now? Why, sir, at this precise moment, when it is known that the corn law is repealed, and there has been almost a famine in the country, flour has fallen fifty per cent. in its price at some points, and is now lower than it has been for years. Some of the followers of Mr. Secretary Walker have ample means, and I presume some few are business men. Why do they not show us their honesty by buying up this cheap flour, and selling it at a great profit in England? No, sir; it is a great deal cheaper, and a great deal safer, for a demagogue to rise—I don't mean here, for we have no such here, of course, but on the stump—and declare that it is all the work of the British Whigs,† and the lords of the loom, and the bank barons.

But, sir, what is to prevent the West from embarking extensively in the manufacturing business? It was said by one of the wisest of British statesmen, that all that England wanted for manufactures, was cheap iron, cheap fuel, and cheap wool. All this the West has, and in addition, cheap

* Intelligence had been received since the bill under discussion was introduced, of the repeal of the British corn laws.

† An opprobrious name applied to the Whig party, intended to represent Whigs as sympathizing with the British aristocracy.

food, and cheap land; and if the system of protection is established, there is nothing to prevent the West and the South from embarking in manufacturing labor. It is of the utmost importance to the grain growing States to have a market, not only in this country, but strictly at home. From many sections of the West, it now costs as much to transport their wheat, and even their Indian corn, to market, as it does to raise it. I know of no other reason why the fertile lands in the valley of the Connecticut river are worth $100 or $200, and those of Illinois, of at least equal fertility, are worth $5 per acre.

But, sir, suppose these 700,000 persons who are now mechanics and manufacturers, or any considerable portion of them, should cease to be consumers of the products of the soil, and should be themselves producers, what would then be the result? I think it would be a hard matter for any theorist or politician of any school to persuade any sensible, practical farmer, that this greatly diminished consumption at home, and greatly increased production, would be made up to him by any market he could find abroad; and that it would be better for him to run the risk of sending his productions to those who have heretofore purchased so sparingly, and also some three or four thousand miles distant, instead of saving the transportation, and securing a certain market within a thousand miles, or a hundred miles, or at his next door, and in his own country, and among his own people.

On the 30th of June, an attack was made upon the bill from an unexpected quarter, which was followed by several amendments.

Mr. Brinkerhoff, of Ohio, a leading administration member, announced that he would not, and he presumed he might say of all the Democratic delegation from Ohio, that they would not, vote for the bill of the Committee of Ways and Means. He was opposed to taxing tea and coffee. And striking them out, would there be revenue enough for the use of the Government? He was in favor of a revenue tariff; not a tariff for the destruction of the revenue. The average annual expenditures had been nearly $26,000,000; and this bill, without tea and coffee, would not produce $18,000,000. But it was asked, "Will you not vote this as a war tax?" He replied in the negative, and gave as reasons the dissatisfaction which they of Ohio felt at the neglect they had received from, and the want of influence possessed by them in the administration; and also at the surrender of a Western Empire,

[Oregon,] while a war was waged for Southern territory, [Mexico.] Even if the duties on tea and coffee were struck out, he would prefer the existing law to the bill before the House.

The debate was continued with animation and considerable acrimony, until the time appointed for its termination, when amendments in rapid succession began to be proposed, Mr. McKay himself leading the way. The duty on spirits was raised from 75 to 100 per cent., by a vote of 93 to 64. The fishing bounties were repealed, 107 to 69. Tea and coffee were exempted from duty, 104 to 60. This of course made other alterations necessary in order to produce sufficient revenue. The bill was at length (July 3,) passed by a vote of 114 to 95.

In the Senate, the bill, without the usual previous reference to a committee, which was resisted by its friends, was taken up in Committee of the Whole, on the 13th of July.

Mr. Lewis, of Ala., Chairman of the Committee on Finance, spoke in support of the bill. He defended the *ad valorem* principle of laying duties, and denied that frauds, by means of false invoices, were practiced to any considerable extent; and he undertook to show, by a series of suppositions, that there could be little inducement to any attempt of this kind. No man, in his sober senses, he said, would incur such a risk for such a paltry consideration. He said, so far from the importer having an interest in undervaluing his goods, it was rather his advantage to overvalue them. This he illustrated by the following case: In 1841, a merchant of New York contracted with an ironmonger of Birmingham, for certain kinds of goods to be delivered in equal quantities for five successive years. In the mean time, iron rose in value so much as to compel the ironmonger to raise the article to all other customers 20 per cent. He still continued to send iron to Mr. Newbould according to contract. The appraisers at the custom-house, observing the discrepancy between the invoices to Mr. N. and those of his neighbors, felt themselves bound, under the law, not only to impose the same duty as the others paid, but also the penalty of 50 per cent. required by the act of 1842. Mr. N. was obliged to give up his good contract, as it was a losing business. Mr. L. said frauds had been repeatedly charged, but on investigation they could not be made out; and he presented some documentary proof to this effect.

He proceeded to state his objections to specific duties,

They were more favorable to fraud, and less safe and efficient for revenue than *ad valorem* duties. They increased the expense and the difficulty of collecting the revenue. The collection required a much larger number of clerks, weighers, measurers, &c. Most of the contested cases coming before the comptrollers and the courts for decision, arose from specific duties.

Mr. L. defended the bill against the objection that it would not raise sufficient revenue. Such deficiency could only result in case the duties were so high as to be prohibitory. By a further reduction, more revenue could be obtained, as it would increase the importations. We had had a very heavy free list, which was abolished in this bill. Duties were put on every thing; and on some of these articles in the free list, the highest rate of duty was now imposed. The relaxation of duties on American produce by Great Britain, would increase our exports to that country, and produce a vast increase of importations. Increased exports of grain had been made in anticipation of the repeal of the corn laws; and what would be the effect of their repeal, of which we have now authentic information? It was difficult to say what increase of imports might flow from the reduction of duties; but he considered a necessary consequence of reduced duties to have increased importations. In every view in which he had been able to contemplate this measure, he was convinced of its soundness and utility.

Mr. Evans, of Maine, opposed the bill as radically wrong in principle. Why is the act of 1842 to be overthrown? It has accomplished all that its friends and advocates promised. It has yielded an adequate revenue. It has restored public credit and public confidence. How were our promises and pledges met? Gentlemen on the other side ridiculed our professions and promises. They predicted a decline in the revenue, and destruction to our commercial interests. It was maintained that we would not be able to obtain the loans necessary to carry on the Government—for the Treasury was then so impoverished that the Government was compelled to borrow 12 or 15 millions. I recollect that one gentleman contended, that we should be obliged to give $100 of scrip for $90 in cash. Well, we passed the law authorizing the loan, and not a dollar could we get till this revenue bill was passed. Then, sir, money enough could be obtained at a lower rate of interest than that authorized to be paid. The public credit advanced at once, and continued to advance,

until the stocks of the United States reached, I think, a maximum of about 115 or 116.

Mr. E. referred to the receipts of the revenue under that act during the first three years, and said: Here are three successive years in which the amount received into the treasury scarcely varies. There are no such other three years to be found in our history, or any thing approaching to them. Search our statute books, and you look in vain for any other law whose operation has been so uniform, so steady. During these three years we have had none of those fluctuations.

Now the tariff of 1842, which the honorable Senator from Alabama and any body else may denounce as rascally, and tyrannical, and villainous, and one to which no free people should submit, has at least one merit—it has been tried. It has been only three years in operation; but during that period it has paid all the ordinary expenses of the Government—paid $10,000,000 of public debt; and if the ordinary expenses of the Government had not been augmented, during the last few months, would have left $12,000,000 in the treasury; and yet it is a most oppressive revenue tariff! Oh, no! not a revenue tariff; but a most oppressive and inefficient system.

We hear it said that this law was designed for protection alone. No, sir. We knew it would yield good protection; but we passed this at a time when your treasury was empty and your credit gone. We passed it as a revenue measure. Why, I often hear it said, that this tariff of 1842 was never designed for permanence—that it was a temporary measure—that it was forced upon us by the necessities of the times. Well, is not that tantamount to an admission that it was a revenue measure? We know that there were three gentlemen who voted for that bill on that ground, and without whose votes it could not have been passed. I refer to a gentleman from Pennsylvania, now in high station, [Mr. Buchanan,] a gentleman from New York, also in high station, [Mr. Wright,] and my colleague at the time, [Mr. Williams,] who gave as their reasons for voting for the bill, the necessitous state of the treasury. Now the gentlemen turn round and say that our necessities having ceased, the law ought to cease with them. How can they pretend that it was not a revenue measure, and designed as such? It is denounced as odious, tyrannical, and oppressive, although it has accomplished every thing that it was intended to accomplish.

But the repeal of the British corn laws is to produce a great increase of importations. The effect on the exports of American agricultural products is to be seen. It is yet to be demonstrated whether we were not better off before the repeal than we will be after. Before the repeal, we exported agricultural products to the British provinces on advantageous terms. But now we must compete with the corn growing nations of Europe. Why has corn and flour declined in price since the repeal of the corn laws? How are the Illinois farmers better off when flour has fallen 25 per cent.? The prospect which might have been indulged some months since, has been altogether cut off. Does not every body know that the apprehended scarcity in Great Britain—a dreaded famine—accounts for the largely increased exportation of agricultural products from the United States? Is that to be expected from year to year? Are calculations to be formed on the constant succession of years of scarcity in Great Britain? England will continue to raise, to the fullest possible extent, her own food. Her land must be cultivated. Prices might decline by reason of perfect free trade in corn: but British crops would be grown, sold and consumed, at what prices they would command. I do not expect to see any considerable exportation of American agricultural products in value on account of the repeal of the British corn laws. The price of bread in England will fall, and so will the cost of labor. Goods also will fall in price, and thus will the duties decline.

Mr. E. replied to the argument against specific duties. They are a sure means of revenue. The yard on which the specific duty is imposed may decline in value; but the duty remains the same. If the value declines 10 per cent., the consumer will the more cheerfully pay the specific duty, while the *ad valorem* duty may increase as the consumer's ability declines. Check consumption, and you check revenue. The *ad valorem* principle, as was properly remarked by the gentleman from Massachusetts, [Mr. Webster,] yesterday, has never been practiced by any nation within his knowledge. The free trade committee of the British House of Commons has examined a great mass of evidence, but not a man came forward to advocate the *ad valorem* principle.

Next he proceeded to speak of the opportunities of fraud afforded by the *ad valorem* system. I admit, said Mr. E., that the report quoted by the Senator from Alabama, asserts that no frauds had taken place in this mode. The commissioners

undertake many things which they are not told to do. The paper read is signed by only one of the three commissioners. Just at the time when the cases of fraud were pending, the commission was in session; but the commissioners thought it their duty to go off in the effort to fasten some imputation upon the collector. We are told, "There was never a clearer proved case." Why, at the very time that report was drawn up, cases embracing half a million of dollars were pending! And the evidence taken by the courts was before them. But, said the commissioners, that evidence was not taken by them, and therefore they reported that there was no fraud. "Oh! but their room was open, and any body might come in." And who came in? Why, the fraudulent importers themselves.

Mr. Lewis asked what the Senator regarded as fraud? He supposed that Mr. Newbould would be set down as a fraudulent importer.

Mr. Evans. Oh, no! He never ran out of the country, and paid $25,000 to avoid prosecution. He then went on to speak of the "Yorkshire cases" of fraud at New York, when the commission was in session. One of the cases was that of Hood. His father, in England, had been in the habit of sending fraudulent invoices to him till he became alarmed, and wrote several certainly not very filial letters to the elder Hood, calling him a dunce and a villain, and cautioning him not to undervalue his invoices more than 25 or 30 per cent., as he would not swear to any greater undervaluation. Hood, the father, became a bankrupt, and his papers, with these letters, fell into the hands of the assignees, who, being honest men, revealed the fraud to the custom-house authorities in this country. Mr. E. mentioned several other cases of fraudulent importers who had fled to the country; one of whom escaped to Canada, and after remaining there for some time, succeeded in compromising the suit by paying $25,000—not half as much as he ought to have paid, according to the statement of the collector.

Mr. Cameron, of Pa., Democrat, presented a memorial from the miners and other laborers of Schuylkill county, asking that the duty on coal might not be reduced. He also presented the proceedings of a meeting of Democratic citizens of Sunbury, expressing their opposition to the bill reducing the duties on imports, and requesting the Senators from that State to oppose its passage. A panic, he said, had commenced, and was spreading through the Commonwealth. It was not a Whig panic. It was a Democratic panic. The

county in which the meeting was held was a Democratic county. Northampton county, another Democratic county, was here protesting against the passage of the tariff bill. They feared that its passage would destroy their business, prostrate the Democratic party, and beggar their families. Good "old Berks" is here also by a representation of her sons. That county is the stronghold of Democracy. Of her 10,000 votes, she often gives a Democratic majority of 4,000. Her citizens are a steady, industrious people, who are not easily excited. They are generally agriculturists, whose industry and frugality have made them rich. No common danger would alarm them; but being on the verge of the great coal-field of Pennsylvania, they have daily evidence of the comfort and happiness its mines dispense among the laborers and mechanics of the country round about, and the wealth which it has sent among them in exchange for the products of their farms. The citizens of Pennsylvania were willing to work for their living, and asked to be let alone.

Mr. Webster said: Truly, sir, we are this morning in a very strange conjuncture of circumstances. The electric telegraph announces from Boston, that the steamer has brought information from England, and among the last words of the late first Minister of England, was the declaration that all eyes were turned to see how the United States would arrange the new tariff, pointing evidently to an expectation or a hope that the new tariff, to which all the English eyes were turned, would be more favorable to English interests, and English business, and English concerns, than the tariff now existing. Somewhat of a counter-blast comes from Pennsylvania. All eyes are turned hither from Pennsylvania, not to see how we may modify the tariff to become acceptable to the English people, but to see whether we will sacrifice *her* interests—her great and leading interests—and the interests of other portions of the country having interests like hers, by the adoption of this measure so much commended already in Europe—so much the subject of parliamentary recommendation. Is not this, sir, as I said, a singular conjuncture of affairs?

I happened to be in Pennsylvania in October, 1844, in divers villages and counties. I saw the preparations that were going on for the then approaching elections; and it appeared to me that the Democratic party in Pennsylvania had three prominent, eminent, distinct party favorites. These three favorites were often borne on their flags and banners.

I saw them emblazoned in Chester county, and in Schuylkill county, and in other places. The three favorites borne on these banners, were, "Polk," "Dallas," and "The Tariff of 1842." I am inclined to think that of these favorites, the last mentioned is at this present moment most in favor. I would ask the honorable member from Pennsylvania himself, whether he has not seen these same banners floating in various places.

Mr. Cameron. I answer the Senator with great pleasure. I attended, perhaps, every Democratic meeting within my reach in that State—and some of them were at places one hundred and fifty miles distant from my home—in order to support the great cause of Democracy; and at all these meetings, the watchwords and the mottoes were, "Polk," "Dallas," and (before his lamented death) "Muhlenburg," and "The Tariff of 1842." And after the death of our candidate for the gubernatorial chair, they were, "Polk," "Dallas," "Shunk," and "The Tariff of 1842." Neither of the three, sir, would have got the vote of Pennsylvania without the last —the tariff of 1842. Much as we disliked Mr. Clay, and sincerely as we were attached to the Democratic party, all would have gone for him before we would have relinquished the tariff of 1842.

Mr. Niles, of Conn., Democrat, said, the act of 1842 had never been an object of assault on the part of the Democracy of the North. On the contrary, it was the object of defense. Certain details had been objected to—some of its provisions had been regarded as discriminating unjustly; but these objections had been urged chiefly to meet the extravagant pretensions in its favor set up on the other side. The uniformity and stability of the operation of the law were without parallel. As a friend of the Administration, he profoundly regretted the introduction of this bill, and as a friend of the Administration, he would vote against it. First, he objected to it on the ground of its introduction at the present time, when the nation was involved in the expenses of a war. Next, he objected to the manner in which the bill had been prepared and introduced. There was something novel in that. If it passed, it would pass against the judgment of a majority of the Senate. A sort of special Congress—a very small Congress—a supplement of Congress, composed of subordinate custom-house officers, had been convened for the purpose of arranging the details of the bill. He had gone to the room of the Committee of Ways affd Means of the other House, to

attend to some business of his constituents, and there found that it had been taken possession of by these custom-house officers, who very politely told him that they would look into his business. He complained of such a mode of manufacturing the bill—a bill full of strange crudities and conflicting provisions and principles.

The bill was the creature of the theory of the Secretary of the Treasury—a theory founded on the old exploded philosophy of putting forth categories and bringing your facts within them. It was destitute of the principle of incidental protection, which he would not allow to slip through his fingers by any *hocus-pocus*, legerdemain, treasury management, or any other sort of management. He would frame a tariff law the same as he would any other law, on the principles of common sense. He would look to the effect of the law, not only on the treasury, but its effect incidentally, collaterally, every way. He would make it productive of revenue, and at the same time as little burdensome and as highly beneficial to all the interests of the country as possible.

The *ad valorem* principle was another new one; and he wished to know why it was so pertinaciously adhered to. Was there any other reason, except it was the favorite abstraction of somebody, though universal common sense revolted against it? He showed the bad operation of the *ad valorem* scheme, instancing the articles of iron and molasses. The woolen interest—soon to be greater than the cotton—was not sufficiently cared for. The manufacture of ready-made clothing, which afforded employment to so many thousands of poor females, was left unprotected. Manufactures of iron received Irish protection—protection downwards. The legislation of Great Britain enabled her manufacturers to undersell the American. The British manufacturer got his Swedish iron free of duty. The American paid 30 per cent. for it. Great Britain legislated on the principles of common sense, not on theories and abstractions. Such was the way in which the laborers in the manufacture of iron were treated.

The design of the bill was an attempt, by legislation, to change the course of the industry of the country; *to stimulate the exportation of the staples of the country, and the returns of importations, at the expense of all the domestic industry of the country*—to do what? He would not say to benefit slave labor. He was there to defend free labor, which was threatened by the bill. It seemed to be intended to bring society back to the primi-

ive ages—to confine human labor to the production of the fruits of the earth. Even if wise, if consistent with the intelligence of the age, would it be just thus to sacrifice the interests which had grown up and taken deep root in the country, which demanded protection, and which would have it? All history proved, that no nation could be great and flourishing without the cultivation of the arts, employing all the industry of the country. It was such diversified industry that had made England and France what they were, and which even now gave such promise of the future greatness of this country.

What if England had reduced some of her duties? It is generally upon such articles as compose her export trade. She is modifying; we ought to modify. But she is not uprooting. Her legislation is always based on knowledge, not on theoretical speculations. *The true policy of our country is to increase its exports, not its imports.* Mr. N. here read a table showing that we imported more largely from England than any country in Europe, proportionally resembling, in this respect, one of her colonies. The times of our greatest commercial difficulties were times of large importations. Why, then, are attempts now made to stimulate importations? Our imports too frequently overrun our exports. England, as seen by a table to which Mr. N. referred, always sees that her exports are as great, and generally greater, than her imports—in some periods nearly double.

He felt it his duty to say something on the political aspect of this question. The party to which he belonged had tried to make it a party measure. He had always believed it wrong to connect this question with the politics of the country. The principle of this bill has a strong Southern squint—a squinting towards cotton and tobacco. He believed this bill opposed to the principles of Democracy. A great body of the Democracy believe in discrimination for protection. Are we to be robbed of our principles by agreeing with the Secretary, that there can be no discrimination for protection? The bill was hostile to the Democracy of his State, and to the Democracy of the North generally. He had gone as far as any man could go with a safe conscience. Not long ago we had a public man who had accommodated his Northern principles to Southern men so much, that he had been called a "Northern man with Southern principles." However this might be, the South prevented him from running again. The South, whether they had the President or not, always had

the central paper to manufacture public opinion—to manufacture Democratic sentiment.

It is said that this is the great measure of the age. And we are called upon, for this, to sacrifice the interests of our constituents. It appears that we must be still hewers of wood and drawers of water to England; and this is the great measure of the age. He had raised his voice early against the course pursued by his friends. But whether he succeeded in arresting the measure or not, he felt it his duty to state, that there was at least one on this side of the chamber, who could not be whipped in to support any such measure. Why is this bill pressed under existing circumstances? It should be passed over to the next Congress. Let the people have a chance to pronounce judgment upon it. They have not had that opportunity. He felt bound by the people of his State to vote against it. He had denied the right of instruction; but there are instructions, (pointing to a book before him containing some statistics of Connecticut;) to these instructions he would adhere. They were the record of the interests of the industry of his State. In this hour, the people of his State expected him to stand by them, and he would not fail.

The debate was continued several days, during which time, memorials from several counties of Pennsylvania were presented by Mr. Cameron remonstrating against the passage of the bill; and several amendments were proposed, but most of them were rejected.

Much anxiety was felt for the fate of the bill in the Senate, which body was known to be very nearly equally divided. Mr. Haywood, of North Carolina, a Democrat, was opposed to the tariff of 1842, as too highly protective, and to the present bill, as insufficient for revenue. Rather than separate himself from his political friends by voting against the bill, he resigned his seat.

The success or defeat of the bill was now supposed to depend upon the vote of Mr. Jarnagin, of Tennessee. He was a Whig, and was opposed to the bill; but he had been instructed by the Legislature of his State to vote for the repeal of the act of 1842; and he felt bound to obey the instructions. To insure his vote and the votes of several others, an objectionable provision of the bill was removed, and the bill was passed, 28 to 27; Mr. Jarnagin voting in the affirmative. The House concurred in the amendment; and the bill became a law

The vote, by States, is as follows: The names of Whigs voting in the affirmative, and of Democrats voting in the negative, are in *Italics:*

YEAS. *Maine:* Fairfield. *New Hampshire:* Atherton. *New York:* Dix, Dickinson. *Virginia:* Pennybacker. *South Carolina:* Calhoun, McDuffie. *Georgia:* Colquitt. *Tennessee:* *Jarnagin*, Turney. *Ohio:* Allen. *Indiana:* Hannegan, Bright. *Illinois:* Breese, Semple. *Mississippi:* Chalmers, Speight. *Alabama:* Bagby, Lewis. *Florida:* Westcott, Yulee. *Texas:* Houston, Rusk. *Missouri:* Atchison, Benton. *Arkansas:* Ashley, Sevier. *Michigan:* Cass.

NAYS. *Maine:* Evans. *New Hampshire:* Cilley. *Massachusetts:* Davis, Webster. *Vermont:* Phelps, Upham. *Rhode Island:* Greene, Simmons. *Connecticut:* Huntington, *Niles*. *New Jersey:* Dayton, Miller. *Pennsylvania:* *Cameron, Sturgeon*. *Delaware:* John M. Clayton, Thomas Clayton. *Maryland:* Johnson, Pearce. *Virginia:* Archer. *North Carolina:* Mangum. *Georgia:* Berrien. *Louisiana:* Barrow, Johnson. *Kentucky:* Crittenden, Morehead. *Ohio:* Corwin. *Michigan:* Woodbridge.

The vote in the House of Representatives was as follows:

*Maine:* Yeas, 6; nay, 1. *New Hampshire:* Yeas, 3. *Massachusetts:* Nays, 9. *Rhode Island:* Nays, 2. *Connecticut:* Nays, 4. *Vermont:* Nays, 3. *New York:* Yeas, 15; nays, 16. *New Jersey:* Nays, 5. *Pennsylvania:* Yea, 1; nays, 23. *Delaware:* Nay, 1. *Maryland:* Yea, 1; nays, 2. *Virginia:* Yeas, 14; nay, 1. *North Carolina:* Yeas, 6; nays, 3. *South Carolina:* Yeas, 7. *Georgia:* Yeas, 6; nays, 2. *Alabama:* Yeas, 7. *Mississippi:* Yeas, 4. *Louisiana:* Yeas, 3; nays, 1. *Florida:* Yea, 1. *Texas:* Yeas, 2. *Missouri:* Yeas, 4. *Tennessee:* Yeas, 6; nays, 5. *Kentucky:* Yeas, 8; nays, 7. *Ohio:* Yeas, 12; nays, 8. *Indiana:* Yeas, 5; nays, 2. *Illinois:* Yeas, 5. *Michigan:* Yeas, 3.

Total yeas, 114: Democrats, 113; Whig, 1, (of Alabama.)

Total nays, 95: Whigs, 71; Democrats, 18; Native Americans, 6. Of the 18 Democrats, there were from New York, 4; New Jersey, 2; Pennsylvania, 11; Maryland, 1. Natives, New York, 4; Pennsylvania, 2.

## CHAPTER XVI.

**Effects of the tariff act of 1846. Remarks of the American newspaper press. Remarks of the British press. Mr. Webster's Speech. Benjamin Marshall's letter on the importation of goods. Effects of the tariff on trade and the revenue. A modification of the tariff recommended by President Buchanan. Meeting of the friends of National Industry in Philadelphia.**

From the representations, in the foregoing debate, of the nature of the tariff of 1846, the reader may be disposed to inquire into its operation. Were the hopes of its advocates realized? or were the apprehensions of its opponents well-founded? It will be the object of this short Chapter to present some facts indicating answers to these questions.

We have shown how accurate were the previous estimates of the amount of revenue produced by the tariff of 1842, as well as of the amount required to meet the wants of the Government. The friends of that act anticipated, as a consequence of the proposed reduction of duties, a corresponding reduction of revenue, unless, indeed, the importations should be unduly increased. It was apprehended, also, that it would have an unfavorable effect upon many branches of the manufacturing interest, and prove detrimental to the general industry of the country.

The effects of this bill appeared, even before it became a law. A material decline in the prices of certain articles, especially wool and pig iron, was experienced in different parts of the country, immediately on receipt of the intelligence of its having passed the House, while it was yet pending in the Senate. Its final passage caused great excitement; and feelings of indignation found utterance through the press of both political parties.

The New York Courier and Enquirer, though opposed to the tariff of 1842, reprobated the passage of this law. Among the effects which it enumerated, were the following: "The country will be flooded with foreign goods imported under false invoices; many manufactories will be stopped, and others will work at half price; the home market now being built up will be injured; ruinously low prices of agricultural

products will follow; the day laborer will be required to work for reduced wages. The consequence of such excessive importations will cause a balance of trade against us exceeding the amount of specie in the country the next year, [1847,] which must be sent abroad, followed perhaps by a derangement of our monetary system."

The New York Tribune, in its review of the act, said: "What can you say, then, of taxing all wool 30 per cent., and letting it in manufactured into woolen or worsted yarn, flannels, bockings or baizes, at 25? wool hats or hat bodies, or any kind of blankets, at 20? Did mortal man ever invent or imagine a system of political economy under which such legislation as this can be justified? Rummage your Adam Smiths and McCullochs, Messrs. Free Traders, and tell us what you can find that will palliate such direct legislation against long established and important home interests, and in favor of their foreign rivals? There are millions of American property invested in the branches of industry here struck at; there are thousands of our people who live by working at these branches. The raw material of blankets is generally cheap, coarse wool, which both British and American manufacturers obtain from South America. The former pay no duty on their wool, and but 20 per cent. on bringing their fabrics into market; the latter must pay 30 per cent. on his raw material before he begins to manufacture. Will any one attempt to justify this?

"Those who fancy the passage of this bill will damage New England especially, are grievously mistaken. It will injure some branches of Eastern manufactures, but fall with far greater severity on the younger and less hardy enterprises of other sections. New England will buy her iron, her coal, her steel, cheaper than she has done. Great Britain and Nova Scotia will profit by the change at the expense of Pennsylvania. The woolen manufacture must suffer, and the wool grower must suffer with it. Printing cottons will be shaken.

"We apprehend a reduction of the wages of manufacturing labor, but trust it will be averted if possible. We do not doubt that the capital now embarked in manufactures will generally take care of itself, either in prosecuting those enterprises, or in some other undertakings. But the new States have punished themselves far more seriously than they have New England. They need manufactures to furnish markets for their vast agricultural surplus, and enable them

to give a more profitable direction to their industry than the production of grain and meat for distant consumption. This want had begun to be supplied under the present tariff, and would have been more generally and rapidly, but for apprehensions of its repeal. Every machine shop in the Union has been as full of work as it could desire, for three years past; and at this moment a single establishment in this State has orders for $300,000 worth of manufacturing machinery, entirely for the South and West. Does any one believe it will have half so much work on hand at this time next year?"

The American (Phil.) Sentinel, a Democratic journal, after the bill had passed the House of Representatives, and while it was pending in the Senate, said: "Such, indeed, was the universal distress prior to the act of 1842, that Congress had to pass a bankrupt act to extricate thousands of debtors from the embarrassing difficulties that surrounded them. We want no more bankrupt acts. We wish everybody in this great Commonwealth to have full employment, which can only be the case when we encourage home industry.

"That the tariff of 1842 has proved a blessing to this country, it is only necessary to advert to our national credit at home and abroad, ever since its enactment. See, too, how the people have prospered since that time. Why shall members of Congress shut their eyes to the experience that we have been so recently taught on this interesting question?"

Meetings of Democrats were held in several places in that State, and delegations appointed to proceed to Washington with remonstrances to the Senate, protesting against the passage of the bill.

The New York Courier, in an article on "iron and the new tariff," published a table comparing the duties on some thirty descriptions of iron and iron manufactures, of the coarser kinds, under the tariff of 1842, with the duty to which they were subject under the new tariff; and then remarked: "The rates of duties upon these articles, [they were all *specific* duties,] computed *ad valorem*, vary from 36 to 168 per cent., in the tariff of 1842; and it is well known these rates were as rapidly building up the iron interests of this country, as the cotton and woolen interests had been built up. Under them, in five years more, we should have been able to manufacture at home, all the iron and iron manufactured articles necessary for home consumption, at prices as cheap or cheaper than they could be bought at abroad. This new tariff it will be seen, must create an entire revolution in the trade."

The Philadelphia United States Gazette, said: "It is stated that the wages of the laborers in the mining districts of this State will be reduced one-half, when the new tariff comes into operation, in order that something like a competition with the coal mines of Pictou and elsewhere may be maintained."

The Cumberland (Maryland) Civilian said: "We regret to learn that the Lonaconing Company has suspended operations and discharged the hands."

A large number of woolen and iron manufactories were very soon adversely affected. Some were suspended; others discharged a part of their hands; and others reduced the wages of operatives.

The bill had been saved by Vice-President Dallas, by whose casting vote it was ordered to its third reading in the Senate. Upon this the Philadelphia Sentinel remarked: "The news of the passage of the tariff bill by the Senate was received in this city by telegraph yesterday, and caused the most intense excitement. There was one burst of indignation that Pennsylvania had been grossly deceived, and that her best interests had been prostrated, too, by the vote of George Mifflin Dallas, one of her own sons, whom she has fostered and cherished for years, and who, she had a right to expect, would stand by her in the hour of trial. Mr. Dallas has thrown the weight of his influence into the Southern scale against his native State. We are sorry that we have to record this deed of deep ingratitude to the old Keystone State. If Mr. Dallas had, by the remotest hint, given the people of Pennsylvania, in the campaign of 1844, to believe that he would go with the South for a Southern tariff, he would not have been elected Vice-President."

The Springfield Republican said: "We understand that the Carpet Company at Thompsonville, Conn., yesterday reduced the wages of their workmen 25 per cent., in view of the effect which the new tariff will immediately have upon their business. Weavers who have received 24 to 24½ cents a yard, will now get but 18 for the same work."

The Washington correspondent of the Charleston Mercury, said, in relation to the passage of the new tariff bill: "The tactics of the Democrats were admirable; and to no one is due more than to the venerable editor of the Union. Old Blucher coming in the nick of time, as he did on the fatal field of Waterloo, was not more decisive of victory than the editorial article in the Union, shooting Brinkerhoff as a de-

serter, and driving back the Ohio Democrats to their duty. I repeat to you, it was that article which secured the victory. It made its appearance in an opportune moment, and was successful; and to the Napoleon of the press rightfully belongs the victory."

The New York Express said: "The tariff, more or less, occupies the attention of all the presses. Wherever the news goes, it sounds a death knell in the ear of industry and enterprise. No sadder news, for many a year, has reached many branches of labor; and the outcry therefore is general."

The Baltimore American said: "A reduction of the prices of labor is one of the inevitable effects of the repeal of the American tariff act of 1842, and the substitution of McKay's British tariff bill. The latter deliberately takes away the sure protection to American labor which the act of 1842 had so happily and wisely thrown around it; and the hard-handed industry of our country is left to sustain itself as it can against the half fed labor of Europe. Although the 'British bill' does not go into operation until the first of December next, it has already affected the price of various articles. Among the most prominent of these is iron. We learn that Eastern manufacturers, who have heretofore been extensive buyers in this market of pig iron at $30 to $32 per tun, are now offering but $25 for the same article. No definite price, it is true, has been yet agreed upon; but it is clear that a material reduction must be submitted to. We further learn that, in view of this condition of things, and the clouded prospects ahead, the proprietors of all the iron works in and about Baltimore, have reduced the wages of their workmen 25 per cent. These works give employment to about 2,000 men, whose labor, literally the sweat of the brow, is thus reduced in value by the reckless folly of the party in power."

A letter to the editor of the New York Tribune, said: "Fourteen calico printers from Robeson's print works at Fall River and Providence, R. I., have already left for Europe to obtain work."

These are but a small portion of the articles which appeared in the public newspapers within a few weeks after the passage of the tariff act of 1846, and several months before the act was to go into effect. Manufacturers were unwilling to hazard their capital by continuing the production of goods which were destined soon to meet the foreign in our market.

It is not strange, that what produced such effects in this country should cause rejoicing abroad. English papers abounded with articles headed in conspicuous type, "Progress of Free Trade!" "Response from the United States!" "The monopolists floored!" &c. Said one:

"The Independence packet ship, which has so often brought important intelligence from the United States, has arrived in this port, bringing the best piece of news she has ever conveyed to this country, namely, that of the passage of the new and liberal tariff of duties on imports founded on Mr. Walker's report, through the American House of Representatives, by a majority of 114 to 95 votes."

The London Times said: "Henceforth the principle of duties for protection must be considered as abandoned in the United States. The duties which remain, *insufficient to compensate the objects of protection*, are quite high enough to insure a revenue to the State. The alteration in the American tariff can not but be regarded as a great triumph gained by the principles of free trade."

A Liverpool paper spoke of the new tariff thus: "It is almost impossible to overrate the effect it will have upon the manufacturing industry of this country, [England,] when we take into consideration, that, in spite of the previous almost prohibitory tariff, the United States have been the most important outlet for our manufactures for many years past. The reduction of duties on cotton and woolen manufactures, will give a great impulse to these branches which have been suffering to some extent for want of a remunerative foreign market for their surplus production. But the interest which will be most materially benefited, is the *iron* manufacture of this country, which will be apparent from the comparative rate of duties under the old tariff and the present. It is expected that the price of pig iron will rise 10s. per tun, and bar iron 20s. per tun."

Another said: "The general effect must be to increase the value of the American market to the British manufacturer, whilst it may arrest the progress of the people of the Eastern States in manufacturing skill, notwithstanding the large margin of protection still left them."

A Montreal paper said: "It will open an immense market for us, but if we were Americans, we should certainly be tariff men."

Iron and woolen manufactures were represented by several English papers as advanced in price, and as firm and improving.

Some of the features of the bill which were deemed most objectionable to the friends of protection, and from which they apprehended its unfavorable operation, will be here noticed. Some of them were ably exposed by Mr. Webster in an elaborate speech in the discussion of the bill.

1. The abolition of all specific duties, and the adoption throughout of the *ad valorem* principle. In favor of specific duties, Mr. W. cited the then Secretary of State, [Mr. Buchanan,] who, in the debate on the tariff bill of 1842, had declared his opposition to "all *ad valorem* duties whatever, except where, from the nature of the article imported, it is not possible to subject it to a specific duty. Our own severe experience," he said, "has taught us a lesson on this subject which we ought not soon to forget. Our *ad valorem* duties have produced great frauds upon the revenue, while they have driven the regular American merchant from the business of importing, and placed it almost exclusively in the hands of the agents of British manufacturers."

Mr. Crawford, while Secretary of the Treasury, having recommended various new provisions for preventing frauds, said: "Whatever might be the reliance which ought to be placed in the efficiency of the foregoing provisions, it is certainly prudent to diminish, as far as practicable, the list of articles paying *ad valorem* duties."

Again, the next year: "The *certainty* with which specific duties are collected, gives them a decided advantage over duties laid upon the value of the article. It is probable that the most important change which can be made in the system will be the substitution of specific for *ad valorem* duties upon all articles susceptible of that change."

Among a number of cases of fraud, recited by Mr. W., he read a letter from Benjamin Marshall, written a few days previously, in which he said: "My brother and myself were brought up in the town of Manchester, [England,] and were well acquainted with the manufacturers and manufacturing. At the age of twenty years, it appeared very evident to me, that we could finish goods and import goods into New York about 10 per cent. lower than the American merchant; and with this conviction I agreed to come out to New York and dispose of the goods, and leave my brother to finish and forward the goods.

"The result was equal to our expectations. We imported our goods 10 per cent. cheaper than our competitors, and by the *ad valorem* duties we paid nearly 5 per cent. less duties:

so that, in twenty-two years, we made nearly a *million of dollars*, whilst nearly all the American merchants failed. . . . I can not avoid expressing my decided opinion in favor of specific duties, as then the foreign manufacturer would pay the same duties as the American importer."

2. Another objection was, that several interests would not be sufficiently protected. Some, indeed, seemed to be purposely legislated against. To the foreign manufacturer of hemp goods, the bill, in effect, granted a bounty of 20 to 25 per cent. It imposed a duty of 5 per cent. more on *unmanufactured* hemp than on cordage. This, together with the difference of foreign shipping charges, and the difference of freight—more being charged on hemp on account of its bulk than on cordage—would give the foreign manufacturer an advantage of about 25 per cent.

Copper, raw, or unmanufactured, was subject to duty, while copper sheathing was to be let in free, as if the intention was to prevent the manufacture in this country. Hence, much of the copper we got from Chili, would now be sent to England, manufactured into sheathing, and then sent to the United States, thus also giving to English vessels the benefit of the transportation.

Upon linseed oil, the bill would probably have a similar effect. England, it was shown, imported 3½ million bushels of seed annually, *free of duty*, and imposed a prohibitory duty on the oil. The duty, which, by our act of 1842, was 25 cents a gallon on oil, was now proposed to be reduced to 20 per cent., or only about 7 cents a gallon. The British manufacturer, besides, had the advantage of cheaper labor, and got double the price for his oil cake that ours did.

Sulphuric acid, or oil of vitriol, used extensively in certain manufactures, was to be subject to a duty of only 10 per cent., while other acids were charged 20 per cent., as if to crush the manufacture of the article in this country, for which extensive works had been erected.

Brimstone, used for making gunpowder and for other purposes, was admitted in its crude state, free of duty, by the act of 1842 ; and the refined article was charged with a duty of 25 per cent. The new bill reduced the duty on refined brimstone to 20 per cent., and laid a duty on the crude of 15 per cent., making a difference of only 5 per cent. The brimstone for our powder had been imported from Europe, chiefly from France and England, and the price was about $75 a tun. The manufacture had been commenced in this country

only about four years previously, and the price had been reduced to less than $40 a tun.

The taxing of imported wool of all kinds 30 per cent., and admitting it manufactured into certain articles at 25 and 20 per cent., has been already noticed.

But among the most important interests to be affected by the bill, was that of iron and coal. The duty on plain bar iron, was, by the law of 1842, $25 per tun. The proposed duty was 30 per cent., which, the price of iron being then about $40 per tun in Liverpool, would be but $12 a tun. The bill placed the ore, the bar iron, and the manufactures of iron, down to penknives and needles, all on the same level, 30 per cent., making no discrimination in favor of the manufactured articles.

Mr. Webster mentioned several other obnoxious provisions in the bill, which we are obliged to pass over without notice.

It had been urged, by some, as an objection to the bill, that a reduction of duties would cause a diminution of the revenue. The revenue, however, was materially increased, in consequence of the large increase of importations. This increase of revenue was triumphantly referred to as commending the sagacity and wisdom of the projectors of the new tariff. And as further evidence of the policy of the measure, it was said, that "the most important part of the whole result was, that the exports had increased at a corresponding rate; thus verifying the theory of the Secretary, that the exports would equal our imports."

It was, on the other hand, admitted, that a tariff, constructed with the express view of raising the greatest possible amount of revenue, could be made to produce more money than a tariff designed also to promote other national interests. Niles' Register remarked: "It was from no apprehension that the tariff of 1846 would produce a less amount of revenue than the tariff of 1842, that we preferred the latter. On the contrary, our apprehension, as repeatedly expressed, was, that the reduction of duties by the tariff of 1846 would induce such immense importations of foreign goods, that, to pay for those goods, the people of the country, after sending their usual exports, would find it necessary to send their specie also; and when that was gone, their credit would be stretched to the utmost to make up the balance of trade against us; and when thus both our specie and our credit became exhausted, as it inevitably would be, then the peo-

ple would begin to realize the real operation of the tariff of 1846.

"In proportion as the statement of the Secretary of the Treasury is gratifying to those who control the public treasury, it becomes, when duly examined, startling to the people. While the Secretary is exulting at the prospect of obtaining over $45,000,000 from duties on importations during the first twelve months' operation of his revenue tariff, it would be well for the people to carry out the calculation, and ascertain how much they will have to pay to foreigners for the goods which, at such low duties, produce to the Government such an enormous amount of money."

It was estimated that it would require the importation of goods to the amount of $150,000,000 to raise a revenue of $45,000,000. This, besides the large amount imported free of duty, and cost of collection, making in all about $200,000,000, was thought to be a startling amount for the people to pay for foreign importations under the first year of the tariff of 1846.

The boasted amount of exports was caused by the famine in Europe, especially in Ireland. The total amount of breadstuffs exported in 1847, was upwards of $68,000,000; an amount more than double that of the average of the five succeeding years. The amount of specie imported that year, was about $24,000,000, the greater portion of it for bread-stuffs sent to Europe.

In 1848, the effects of the tariff of 1846 were clearly seen in the commercial and financial state of the country. By the excessive importation of foreign goods induced by the low duties, the greater portion of the specie imported the preceding year, had been taken out of the country; and this exportation of specie produced a pressure upon the money market, attended by a reduction in the prices of merchandise and produce, and embarrassment and stagnation in trade and manufactures. Iron establishments which had been put in operation under the tariff of 1842, were discontinued. Establishments for manufacturing woolens and cottons, brought little or no return for their capital, and a reduction of wages ensued. Kentucky cotton bagging had been sadly interfered with by the East India gunny cloth, of which at least twenty cargoes were said to have been imported within the last preceding year. And it appeared from a British Shipping List, that 49,000,000 yards of plain cottons had been shipped from Great Britain to the United States in 1847, against 9,000,000,

12,000,000, and 10,000,000 for the three preceding years; and 49,000,000 yards of printed and dyed cottons, in 1847, against 12,000,000, 13,000,000, and 13,500,000 for the three preceding years. This result as to printed cottons, it may be remarked, had been specifically predicted on the passage of the act of 1846.

Importations continued to increase, until, in 1854, they exceeded $304,000,000, largely exceeding our exports, and yielding a revenue of more than $64,000,000. In 1857, the revulsion came—a result predicted for years, but delayed, as is presumed, by the discovery of the California gold mines. By the products of these mines, and a large amount of our railroad and other stocks, sold in England, the annual balance of trade had been measurably kept down, and the anticipated commercial and financial crisis deferred.

The annual expenditures had been increased to a sum exceeding the revenues; so that a resort to loans had become necessary to supply the deficiency. A large public debt having accrued, which the President deemed it inexpedient to increase by additional loans, he recommended in his message of December, 1858, a modification of the tariff, with a view to an increase of the revenue; adding, that, "the incidental protection thus afforded, would, to some extent, increase the confidence of the manufacturing interests." He also recommended the reädoption of the system of specific duties in cases to which they could be properly applied; saying that they were "well adapted to commodities which are sold by weight or measure, and which, from their nature, are of equal or nearly equal value. Such, for example, are the articles of iron of different classes, raw sugar," &c. "In my deliberate judgment," he continues, "specific duties are the best, if not the only means of securing the revenue against false and fraudulent invoices; and such has been the practice adopted for this purpose by other commercial nations. Besides, specific duties would afford to the American manufacturer the incidental advantages to which he is fairly entitled under a revenue tariff. The present system [that of ad valorem duties,] is a sliding scale to his disadvantage. Under it, when prices are high, and business is prosperous, the duties rise in amount when he least requires their aid. On the contrary, when prices fall, and he is struggling against adversity, the duties are diminished in the same proportion, greatly to his injury."

This language of the President would seem to indicate an

attempt to retore the policy abandoned in 1846. His Secretary of the Treasury, however, in his report to Congress, took the opposite ground, adhering to the principle of the existing tariff, which discriminates *against* the American producer of metals, wares and fabrics, by imposing high duties on raw materials, instead of adequate duties on the rival products of Europe.

What is supposed to have contributed to the postponement of this predicted revulsion, under the tariff of 1846, to so late a day, were the immense loans in Europe for the construction of railroads. By the expenditure of so many millions in hiring and feeding the laborers employed upon these works in the West, the price of grain was maintained at a high point; and the necessity of a protective tariff was not so sensibly felt. During this period of "fictitious prosperity," as it has been termed—prolonged, undoubtedly, by these enormous loans and the exportation of the specie furnished by the California mines, in part payment for the large balances against us in our foreign trade—the subject of protection was comparatively little thought of; and many of its friends had begun to undervalue its importance.

But to this class of persons, the want of a protective tariff has again become apparent. As is evident from the excessive importations, many branches of manufacturing industry have greatly declined. The country has contracted a vast foreign debt which it will require many years to cancel, under the wisest policy. A vast amount of capital has been, at a great loss, withdrawn from active employment—much of it entirely sunk; the demand for labor has been proportionably diminished; and property, especially land in the Western States, has greatly depreciated.

Among the interests which were supposed to have suffered most severely from the want of adequate protection, the most important were those of iron and coal, in which Pennsylvania, of all the States, was most deeply interested. To the operation of the existing "revenue tariff," was probably to be attributed, in a great measure, the result of the election in that State in October, 1858—the defeat of the administration or Democratic party. A meeting of "friends of national industry" was held in Philadelphia, on the 15th of June, 1858, at which a Committee of Seventy-Six was appointed to promote the objects of the meeting. The Committee, in an address, "to the people of Pennsylvania," enumerated certain facts which they considered as having been

proved by the victory which had been achieved. Among these facts are the following:

"That men of all pursuits of life—farmers and mechanics, miners and furnace-men, laborers and capitalists, traders and transporters—have arrived at the knowledge, that they have a common interest in endeavoring so to diversify the demands for labor as to bring together the producers and consumers of the country:

"That they are awake to the destructive tendencies of a system which burdens the nation with a foreign debt that already counts by hundreds of millions—requiring the remittance of probably thirty millions of dollars annually, for the payment of the interest alone:

"That they are unwilling further to sustain a policy which condemns their own coal and ore to remain useless in the ground, while draining the country of the precious metals to pay for foreign iron:

"That they do not desire longer to be compelled to pay for foreign labor, while American laborers are badly fed and badly clothed, because unemployed:

"That the belief in the necessity for a total change in our domestic and foreign policy, is rapidly becoming general throughout the State.

"The power to accomplish such a change," the Committee say, "is in the hands of Pennsylvania; and it is needed only that she exercise it. Placed, as she is, between the North and the South—great as she is in her natural resources—powerful as she is by reason of her wealth and population—she may, if she will, guide and direct the policy of the Union. Blind, however, to her true interest, she has but too often permitted herself to be harnessed to the car of some ambitious and unprincipled demagogue, who, in consideration of favors to himself, has helped to sacrifice her dearest interests—lending his aid to the closing of her mills and furnaces, and to the expulsion of her workmen, and thereby depriving her farmers of the advantage of having a market near at hand. The consequences exhibit themselves in the fact that she has had no real influence in the Union—her votes having been obtained by means of frauds like that of 'Polk, Dallas, and the Tariff of '42,' while she herself, when asking attention to her interests, has been treated as a mere pauper, seeking to be fed at the public cost. Such, fellow-citizens, have been the effects of permitting herself to be led, when she should have placed herself in the lead—of in-

dorsing the opinions of others when she should boldly have proclaimed her own."

To the hope of appeasing and reclaiming the State of Pennsylvania, some have ascribed the recommendation, by the President, in his next annual message, to which we have alluded. That recommendation, however, received no favorable response from Congress. The previous Congress had, in 1857, modified the tariff by a further reduction of duties; and it was hardly to be expected that the subject would so soon be taken up again, especially by a Congress of the same political complexion as that which preceded it. In his next annual message, [December, 1859,] he again expressly recommended "an increase of our present duties on imports," to raise the necessary revenue. Another Congress having come into power, a tariff bill, framed in accordance with the views of the friends of protection, passed the House, but was rejected by the Senate.

# CHAPTER XVII.

**Constitutionality of a protective tariff considered. Views of Washington, Jefferson, Madison, Monroe, Jackson, and others.**

In the foregoing history of the tariff, taken chiefly from the public records, the opinions and the leading arguments of American statesmen and legislators, on both sides of the question, have been fairly presented. We subjoin a few Chapters in which is given a succinct view of the question, together with additional arguments and authorities, in confirmation of the doctrines affirmed by protectionists, and with such arrangement and references as to render this a convenient text-book on this subject.

The question which seems first to claim our consideration, is that of the *constitutionality* of a protective tariff; for if such a tariff is not authorized by the Constitution, the policy of protection ought at once to be abandoned. The question then is, Does the Constitution confer upon the General Government the power to encourage domestic industry by laying duties upon imports?

The reader, by recurring to the history of the Constitution, a sketch of which is given in the first Chapter of this work, will see that the Convention which framed that instrument, was called for the very purpose of conferring upon the Government the power to countervail, by retaliatory duties, the restrictions imposed upon our commerce and navigation by foreign nations, especially by Great Britain. And is it probable that, having been convened for that purpose, the framers should have neglected to supply that defect in the Confederation, for the evils of which so many fruitless attempts had been made to find a remedy? That this defect has been supplied by the Constitution, is manifest from the expressed opinions and official acts of the early administrators of the present Government, the most eminent of whom participated in the framing of the Constitution.

Marshall, in his life of Washington, Vol. V., p. 69, says: "The idea of compelling Great Britain to relax somewhat of the rigors of her system, by opposing it with regulations equally restrictive, seems to have been generally taken up."

Washington, writing to a friend in Great Britain, states: "They [the people] now see the indispensable necessity of a general controlling power, and are addressing their respective assemblies to grant it to Congress."

Again: "I do not see that we can long exist as a nation, without lodging somewhere a power which will pervade the whole Union, in as energetic a manner as the authority of the State Governments extends over the several States."

Mr. Dawes, in Elliot's Debates, Vol. I, p. 76, is reported to have said, in the Massachusetts convention: "Our manufactures are another great object which has received no encouragement by national duties on foreign manufactures, and they never can, by any authority in the old Confederation."

These, and numerous other extracts which might be made from published letters and public documents, superadded to the familiar political history of those times, afford conclusive evidence of the general expectation, that the power in question would be granted to Congress. Equally evident is it that the framers and their cotemporaries considered that the power had been granted.

Washington, who was a member and President of the Convention of framers, said in his Inaugural Address: "The advancement of agriculture, by all proper means, will not, I trust, need recommendation. But I can not forbear intimating to you the expediency of giving effectual encouragement, as well to the introduction of new and useful inventions from abroad, as to the exertion and skill in producing them at home."

Mr. Jefferson said in his report of 23d February, 1793, made pursuant to a resolution of the House of the 14th February, 1791: "Where a nation imposes high duties on our productions, or prohibits them altogether, it may be proper for us to do the same by theirs, first burdening or excluding those productions which they bring here in competition with our own of the same kind, imposing on them duties lower at first, but heavier and heavier afterwards, as other channels of supply open."

In his message, November, 1804, he submits: "Whether the great interests of agriculture, manufactures, commerce and navigation, can, within the pale of your constitutional powers, be aided in any of their relations."

Again: "An immediate prohibition of the exportation of arms is submitted to your consideration."

Again: In his annual message of 1806, after noticing the

rapid liquidation of the public debt, and the prospect of surplus revenue not far distant, he said:

"The question now comes forward—To what other object shall these [anticipated] surpluses be appropriated, and the whole surplus of imposts after the entire discharge of the public debt, and during those intervals when the purpose of war would not call for them? *Shall we suppress imposts, and give that advantage to foreign over domestic manufactures?* On a few articles of more general and more necessary use the suppression will doubtless be right; but the great mass of the articles on which impost is paid, are foreign luxuries, purchased by those only who are rich enough to afford themselves the use of them. Their patriotism would certainly prefer its continuance and application to the great purposes of public education, roads, rivers, canals, and such other objects of public improvement, as it may be thought proper to add to the constitutional enumeration of federal powers. By these operations, new channels of communication will be opened between the States; the lines of separation will disappear; their interests will be identified; and their union cemented by new and indissoluble ties."

Now Mr. Jefferson is well known to have been in favor of a strict construction of the Constitution. Yet it is evident from the foregoing extract, that, although there might be "objects of public improvement" to which the imposts could not be constitutionally applied without an enlargement of the "federal powers," as to the power of laying the "impost," for the "advantage of domestic manufactures," he entertained no doubt.

Mr. Madison, in his message, December, 1810, says: "Although other objects will press more immediately on your deliberations, a portion of them can not but be well bestowed on the just and sound policy of securing to our manufactures the success they have attained, and are still attaining, under the impulse of causes not permanent; and to our navigation the fair extent of which it is at present abridged by the unequal regulations of foreign Governments."

Not less explicit is his language in other messages and communications: "From this Convention," says he, "proceeded the Federal Constitution, which gives to the general will the means of providing, in the several necessary cases, for the general welfare; and particularly in the case of regulating our commerce in such manner as may be required by the regulation of other countries.

These extracts, to which many more might be added, are sufficient to show that the Constitution was supposed to contain a grant of the power to encourage domestic industry. And it is worthy of observation, that none of these statesmen here speak of the power of protection as *incidental* to the power of laying duties for *revenue*, but leave the reader to infer that Congress has power to lay protective duties for the sake of *protection*; and not merely, in laying duties for revenue, to discriminate in favor of those articles which need encouragement. It may also be observed, that among our statesmen, none adhered more firmly to a strict construction of the Constitution than Mr. Jefferson, and yet none recommended the exercise of this power to a greater extent.

It has already been stated, that the first act of a general nature passed by Congress under the present Government, was an act, one of the objects of which was expressly declared in a preamble to be, "the encouragement and protection of domestic manufactures, by duties on goods, wares, and merchandise imported." [See page 20.]

Although the authorities here cited ought to be deemed conclusive on the subject, it will be both interesting and profitable to the political student to examine the arguments in favor of this power, drawn from the provisions of the Constitution itself. Mr. Madison, from the prominent part taken by him in its formation, and from his defense and exposition of it prior to its adoption, has with propriety been styled the "Father of the Constitution." The opinions of no other person, therefore, on any of its provisions, are entitled to greater weight than his. When, in later times, this power came to be called in question, he favored a friend, in 1828, with an exposition of those clauses of the Constitution which are alleged to contain the power claimed. The letter was addressed to Joseph C. Cabell, Esq. We extract from it the following:

"The Constitution vests in Congress, expressly, the 'power to lay and collect taxes, duties, imposts, and excises;' and the 'power to regulate trade.'

"That the former power, if not particularly expressed, would have been included in the latter as one of the objects of the power to regulate trade, is not necessarily impugned by its being so expressed. Examples of this sort can not sometimes be easily avoided, and are to be seen elsewhere in the Constitution. Thus the power 'to define and punish offenses against the law of nations, includes the power after

wards particularly expressed, 'to make rules concerning captures,' &c., from offending neutrals. So also the power 'to coin money,' would doubtless include that of 'regulating its value,' had not the latter power been expressly inserted. The term *taxes*, if standing alone, would certainly have included duties, imposts, and excises. In another clause it is said, 'no tax or duties shall be laid on exports,' &c. Here the two terms are used as synonymous. And in another clause, where it is said, 'no State shall lay imposts or duties,' &c., the terms *imposts* and *duties* are synonymous.

"It is a simple question under the Constitution of the United States, whether the 'power to regulate trade with foreign nations,' as a distinct and substantive item in the enumerated powers, embraces the object of encouraging, by duties, restrictions, and prohibitions, the manufactures and products of the country. And the affirmative must be inferred from the following considerations:

"The meaning of the phrase 'to regulate trade,' must be sought in the general use of it; in other words, in the objects to which the power was generally understood to be applicable, when the phrase was inserted in the Constitution.

"2. The power has been understood and used by all commercial and manufacturing nations, as embracing the object of encouraging manufactures. It is believed that not a single exception can be named.

"3. This had been particularly the case with Great Britain, whose commercial vocabulary is the parent of ours. A primary object of her commercial regulations is well known to have been the protection and encouragement of her manufactures.

"4. Such was understood to be a proper use of the power by the States most prepared for manufacturing industry, whilst retaining the power over their foreign trade.

"5. Such a use of the power, by Congress, accords with the intention and expectation of the States, in transferring the power over trade from themselves to the Government of the United States. This was emphatically the case in the Eastern, the more manufacturing members of the Confederacy.

"6. If Congress have not the power, it is annihilated for the nation: a policy without example in any other nation.

"7. If revenue be the sole object of a legitimate impost, and the encouragement of domestic articles be not within the power of regulating trade, it would follow that no no-

nopolizing or unequal regulations of foreign nations could be counteracted; that neither the staple articles of subsistence, nor the essential implements for the public safety, could, under any circumstances, be insured or fostered at home, by regulations of commerce, the usual and most convenient mode of providing for both; and that the American navigation, though the source of naval defense, of a cheapening competition in carrying our valuable and bulky articles to market, and of an independent carriage of them during foreign wars, when a foreign navigation might be withdrawn, must be at once abandoned, or speedily destroyed; it being evident that a tunnage duty in foreign ports against our vessels, and an exemption from such a duty, in our ports, in favor of foreign vessels, must have the inevitable effect of banishing ours from the ocean.

"To assume a power to protect our navigation, and the cultivation and fabrication of all articles requisite for the public safety, as incident to the war power, would be a more latitudinary construction of the Constitution, than to consider it as embraced by the specified power to regulate trade; a power which has been exercised by all nations for those purposes, and which effects those purposes with less of interference with the authority and conveniency of the States, than might result from internal and direct modes of encouraging the articles, any of which modes would be authorized, as far as deemed 'necessary and proper,' by considering the power as an incidental power.

"8. That the encouragement of manufactures was an object of the power to regulate trade, as proved by the use made of the power for that object, in the first session of the first Congress under the Constitution, when among the members present were so many who had been members of the Federal Convention which framed the Constitution, and of the State Conventions which ratified it; each of these classes consisting of members who had opposed and who had espoused the Constitution in its actual form. It does not appear from the printed proceedings of Congress on that occasion, that the power was denied by any of them; and it may be remarked, that members from Virginia, in particular, as well of the anti-Federal as the Federal party, the names then distinguishing those who had opposed and those who had approved the Constitution, did not hesitate to propose duties, and suggest prohibitions in favor of several articles of her production. By one a duty was proposed on mineral coal in

favor of Virginia coal-pits; by another, a duty on hemp was proposed, to encourage the growth of that article; and by a third, a prohibition of even foreign beef was suggested, as a measure of sound policy.

"A further evidence in support of the constitutional power to protect and foster manufactures by regulations of trade, an evidence that ought, of itself, to settle the question, is *the uniform and practical sanction given to the power by the General Government, for nearly forty years;* with the concurrence or acquiescence of every State Government, throughout the same period, and, it may be added, through all the vicissitudes of party which marked the period. No novel construction, however ingeniously devised, and however respectable and patriotic its patrons, can withstand the weight of such authority, or the unbroken current of so long and universal a practice."

It is certainly not easy to conceive by what reasoning these arguments of Mr. Madison can be successfully resisted; nor how they can fail to convince any intelligent and candid mind of the constitutional power of Congress to protect domestic industry. But these were not newly formed opinions of Mr. Madison. Nor were they new to him at the date of his message to Congress in 1810, an extract from which has been quoted in a preceding page. He was a member of the first Congress, and took a part in the enactment of the law of 1789 so often referred to. From one of his speeches in support of that law, we extract the following:

"We have now the power to avail ourselves of our national superiority, and I am for beginning with some manifestation of that ability, that foreign nations may be taught to pay us that respect which they have neglected on account of our imbecility. This language and those sentiments are the language and sentiments of our constituents; the great political revolution now brought about by the new Government, has its foundation in these sentiments. Sensible of the selfish policy which actuated a nation long disposed to do all she could to discourage our commercial operations, the States singly attempted to counteract her nefarious schemes; but finding their separate exertions ineffectual, with a united voice they called for a new arrangement, constituted to concenter, conduct, and point their powers so as to obtain that reciprocity which justice demands. The arrangement has taken place; and though gentlemen may contend that we are not at this moment prepared to use it in the latitude I could wish, yet let them concur in doing what shall indicate

that on a proper occasion we dare exert ourselves in defeating any measure which commercial policy shall offer, hostile to the welfare of America."

At another time, in the same session, he used the following language: "I am ashamed, sir, when I consider how, in consequence of her regulations, the whole proceeds of American shipments are drawn into the British treasury. Sir, this preponderation ought not to be. It is in our power to effect an alteration. The productions of our country are more necessary to Great Britain and the rest of the world, than those of the world at large, or the manufactures of Great Britain, are to us."

At this early period constitutional objections to the exercise of the power of protection had not been raised; nor were they for many years afterwards. But in the later tariffs, the existence of this power became the subject of much controversy. In the debate in the Senate on the tariff of 1832, this power was thus defended by Mr. Robbins, of Rhode Island:

"If the power of taxation, *ad libitum* in amount, be in Congress, the exercise of that power must be discretionary with Congress; and whether, in any given instance, it shall be exercised, or to what extent it shall be exercised, must always be a question of expediency, and never can be a question of constitutional right. Now, the power of taxation is expressly given to Congress, and without limitation as to the amount of revenue to be raised by it. That amount is left to the discretion of Congress.

"Again: The regulation of commerce with foreign nations is expressly given to Congress, and given without restriction. Now a tariff of duties on imports is literally and strictly a regulation of commerce with foreign nations; and whether that tariff shall be higher or lower, or what it shall be, must be a question of expediency, and can not be a question of constitutional right.

"Besides, this power, as has been well stated and ably argued by the honorable gentleman from Tennessee, [Mr. Grundy,] is essential to national sovereignty; and to deny it to our Government, would be, so far, to lay our country prostrate at the feet of every other sovereignty in the world. . . . . If you admit (and who will deny it?) that our Government may exert this power against other Governments, to vindicate our equal and just rights, you give up the whole controversy; for then you admit the existence of the

power in the Government. The power being admitted, its exercise, in all cases, must be regulated by the discretion of Congress."

But there is a large class of professed protectionists, who, as we have elsewhere observed, concede to Congress the right to protect only *incidentally;* that is, the right to levy duties, and to any amount, for the purpose of revenue; and in so doing they may lay them upon articles of the kind which they wish to protect, thus making the power of protection *incidental* to the power of raising revenue. But they do not admit the constitutional right of Congress to impose duties "for the sake of protection." Upon this doctrine, Mr. Holmes, of Maine, in the tariff debate in the Senate, in 1832, commented thus:

"Now, if by 'incidental' we are to understand casual, fortuitous, accidental, the protection must be a mere *happening*, and can not at all enter into the *design*. Miserable, indeed, would be the fate of your manufactures, were their protection the sport of chance, or a blind fatuity. But ascribe to the term a secondary meaning, to wit, 'subordinate, or not essential to the chief purpose,' and then your impost must be chiefly financial, or subordinately protective. But here a question meets us at the threshold. In determining whether an impost is chiefly financial or not, must we, in order to determine its character for constitutionality, be governed by the design, or by the effect? An act intended for revenue may become almost entirely protective; and on the contrary, an act intended for protection may operate exclusively for revenue.

"Let us first suppose it is the *design* of the act which is to determine its character, and that we could agree in the tribunal which is to make the decision: it must be an exceedingly critical matter to decide. You must keep an account current of motives, and set down to the credit of the law those Senators who voted for it as a revenue law, and to the debit side those who voted for it for protection; and those for nothing who were governed alike by both motives. But when you come to those who were governed almost as much by one consideration as another, and also those who were against the law altogether, you would find it very difficult to get down to the end of the alphabet with any accuracy even in this Senate. And then you must ascertain the motives of a much more numerous branch, many members of which would not probably know how or why they voted. And

where is the tribunal to search the hearts and try the designs of the Federal Legislature who enacted the law?

"But if the constitutionality is to be determined by the *effect*, the difficulties will thicken, and are indeed insurmountable. The decision is to be made, not upon the laws and Constitution, but by matter of fact. It is to depend upon facts, and of a character, too, the most corrupt and uncertain, ascertained not even by positive and direct testimony, but upon the mere opinions of men influenced by different and opposite views and interests. Is this law chiefly financial, or chiefly protective in its operations? This is the question of fact to be determined, upon which hangs the validity of a law. A State, (for your Federal Court would not,) looking up evidence to nullify an act of Congress! Look a little further: An act at first financial and very constitutional, becomes, by its operation, protective, and therefore unconstitutional—dead. And who can tell at what time it died? When was this good law converted into a dead letter? And if this be so, then the converse proposition is true, that an act of Congress, protective, and therefore unconstitutional, at first, may, by the course of events, be raised into full and active life by its becoming financial. Sir, can it be seriously insisted that this power over the imposts is confined exclusively to revenue, and that it has annexed to it this vague, visionary, incoherent, 'incidental' quality, which none can define or understand? It is most manifest that this word was inserted in the constitution with its then ordinary import, force, and effect, qualified or altered only by the exceptions and limitations connected with it. And all of such a character were those only which require its 'uniformity,' and forbid it upon 'exports.'

"But for what other purposes than revenue was this power given? The purpose for which it has always been employed by other nations, and by several of the States, was commercial; and, in some nations, that was almost its exclusive purpose. Other modes of taxation were resorted to for revenue, but this was an instrument for the protection of commerce. This, when the constitution was framed, was the chief engine of all the restrictions and countervailing restrictions of every commercial nation. The people of the United States were suffering from this power which they themselves were unable to exercise; and it was for this reason, more than any other, that they consented to adopt the constitution."

Mr. H. then went into an exposition of the clauses of the Constitution conferring the power of taxation and of regulating commerce, proving from Say and other authors, that the term *commerce* extends to all products of agricultural and manufacturing industry; and then proceeded:

"Take away from commerce the products of agriculture and manufactures, and there is nothing left; labor and capital are the agent, the products of agriculture the object, and commerce is the action. Now, take away the object, and there is nothing on which to act. And how can you act when there is nothing to do? Without these products, commerce is a mere ideal being; it is even less, it is the merest abstraction; there is nothing in it tangible, ostensible, or imaginable. You may as well conceive of roundness without a ball, or smoothness without a surface, motion without something to be moved, a quality without the thing qualified, as of commerce without the objects of exchange.

"Navigation is not commerce, and no power is given to regulate this. It is the vehicle, the instrument, by which commerce is carried on. It is even less essential to commerce than the products of agriculture and manufactures; because, without these, there can be no commerce; and without the interchange of these, commerce is a misnomer. And where is your power to regulate seamen, as another instrument of commerce? Yet this never has been questioned. . . . To regulate commerce, therefore, is to prescribe rules to govern the exchange of the products of agriculture and manufactures; and it is a power over the whole subject-matter, except where restrained by the Constitution itself. But if I am wrong in this, the Constitution has failed of its design. It originated in a want of power to reciprocate the favor, and retaliate the injuries of foreign nations on this very subject of trade. This power of protecting our own manufacturers was urged as the chief reason for its adoption."

Mr. Choate, Senator in Congress from Massachusetts, in 1842, maintained that the General Government had the Constitutional power to protect and encourage American industry; and that it was to be found in the taxing power, sanctioned and authorized by the clause in the Constitution which delegates the power to regulate commerce. He contended that, under these powers, there was a coöperating duty imperative on the Government, to afford home industry full protection, regardless of every one and everything but the obvious intention of the object of the Constitution; and that

intention was to be traced with certainty from abundance of cotemporaneous evidence. This, he argued, was the true, and only true American policy. He considered the Government not only bound to protect, but to bring to life every source of prosperity in the country. He held that discrimination was to be carried to any necessary extent for the accomplishment of this object, and that Congress could, under the Constitution, exempt from duty, any articles it pleased, and put what duties it thought proper on others, and above all, could, and ought to adjust the tariff by the home valuation alone. He insisted that Mr. Madison, from the year 1789, to the close of his life, had always contended that this power was found in the clause authorizing Congress to regulate commerce with the world. In proof of this, he read passages from Mr. Madison's messages and letters. He considered Mr. Madison good authority for the power given by the Constitution.

Congress, he maintained, was authorized by the Constitution, fully and amply, in the clause for the regulation of commerce, to do and perform any act which, according to the vocabulary of the time, could be deemed and taken to be an act in the furtherance of the regulation of commerce, even if reaching to the total exclusion of foreign imports affecting injuriously domestic commerce. This presumption is paramount till the contrary is proved; and the contrary had never yet been proved. It never had been shown that the language of the Constitution did not mean what the friends of protection construe it to mean, supported by the cotemporaneous language of every commercial country of that time. He argued that, in the year 1787 or 1789, the term to "regulate commerce" meant a power to pass any law deemed necessary for the protection of domestic industry. No commercial country of that day understood the phrase in any other sense. In support of this, he took a general review of British legislation at that period.

Throughout the controversy of the mother country with her transatlantic colonies, he averred, every speaker and every writer—every politician—understood the right maintained by the British Government to protect and encourage its own manufacturing interests, to rest on its power "to regulate commerce;" and he quoted many authorities, chiefly speeches and politicians of England and this country, from the year 1766 to the end of the eighteenth century, and thence down to the present time. From all this, the framers of the

Constitution could understand the phrase "to regulate commerce" in no other sense than that which so universally prevailed at the time. This he considered presumptive evidence that the framers of the Constitution intended to afford domestic industry substantive encouragement as well as incidental protection—the one under the power to regulate commerce, and the other under the taxing power.

He asserted, also, that before the year 1787, the people of this country demanded a stronger Government for the very purpose of protecting home industry against foreign competition; and for the purpose of regulating commerce with other nations, so as to check the importation of goods interfering with domestic manufactures, and to give home industry an impetus which would develop all the resources of the country essential for the supply and consumption of the Confederation, whether in times of peace or war.

What, after all, he asked, was this power, but a power to protect the labor of this country from being bound down and paralyzed by the pauper labor of foreign nations? The only question could be whether the nation or the States should have the power of thus protecting domestic labor; and arguing from the analagous powers delegated by the Constitution—the taxing power, treaty power, and power to make peace or war, as well as every other accorded to the General Government—he maintained that the protective power belonged to the same delegated agency, and was to be found in the taxing power and the power to regulate commerce. He reiterated that this power was demanded by the people in the formation of the new Constitution, and referred to the processions of trades convened to celebrate as a jubilee the insertion of this power to regulate commerce in the Constitution, as a full and satisfactory protection of their interests. [See page 18.] He also referred to the debates of the Convention, to show that the strongest arguments urged against the old Confederation was its inability to give ample protection to home industry, in consequence of not being invested with the power to regulate commerce.

Arguments, to any extent, from our most eminent statesmen, might be added to the foregoing; but these are sufficient to show the reader upon what authority protectionists affirm the power to encourage and promote domestic industry

# CHAPTER XVIII.

The expediency of a protective tariff. Community of interests and diversification of labor. Authorities cited. Effect of protection upon agriculture. Jackson's letter to Dr. Coleman. Advantages of a home market. Effect of the tariff on prices. Objections considered. Protection to commerce. Effect of the tariff upon revenue.

We consider next the question of the expediency of protection. It has been shown, that the protective system had its origin in the restrictive policy of Great Britain. Its operation upon the people of the colonies—afterwards States—was peculiarly oppressive; and relief could be obtained only by a change of Constitution which should authorize the Congress to regulate foreign trade, by imposing retaliatory or countervailing duties upon the rival products and navigation of foreign nations. And as it will be acknowledged that no other way of regulating such trade has ever been devised, the utility of the exercise of this power must be admitted. The history of the Government shows, that among its founders there was but one opinion as to the propriety or expediency of protecting home industry against the competition and partial legislation of other nations.

In every discussion of this subject, it is erroneously assumed by the opponents of protection, that its object is to promote the manufacturing interest in particular; and that the effect, though not so intended, will necessarily be to build up that interest to the injury of others—to increase the wealth of the rich capitalist by taxing the poorer or the laboring classes; in other words, to legislate money out of the hands of one and the largest portion of the community into the pockets of another.

Protectionists, on the contrary, hold to a *community of interests*. They believe that the *labor of a country should be diversified*—that the industrial interests should be multiplied; that the production of all commodities should be encouraged which a country is adapted to produce, or to the production of which there is no natural or other serious obstacle or impediment. They hold that ALL are entitled to the protection of the Government; that the success of each and every branch of industry is more or less dependent upon that of

every other; and that a system of protection is practicable which shall secure prosperity to all.

The reasons for favoring this diversity of human industry are, first, that all men are not fitted by inclination or natural faculty for the same pursuit. This is one of the arrangements of an all-wise and beneficent Providence, and designed for the best good of the whole community. Secondly, every country, especially every country of considerable extent, is capable of supplying, and hence we infer is designed to supply, the various wants of its population. And it would seem that a common sense view of the subject must lead every candid mind to the conclusion, that it is for the interest and safety of the people of every nation to avail themselves of the means which their country affords, to supply themselves with the necessaries of life and the means of defense. By this it is not meant that commerce with foreign nations should be interdicted. We believe that, while every habitable portion of the earth is susceptible of being made to furnish the means of human subsistence, the comforts of life may be greatly increased, and the general happiness of mankind vastly augmented, by commercial intercourse between nations. Yet we do not regard this as a good reason why a nation should not endeavor to place itself in a condition in which it may be affected, as little as possible, by the capricious policy of other nations, or the natural and unavoidable changes and vicissitudes to which they are liable.

Of the three general branches of industry, agriculture, manufactures and commerce, a peculiar concern seems to be manifested by the opponents of a protective tariff for agriculture. They seem to suppose that the agricultural and manufacturing interests necessarily conflict with each other; or, at least, that the former is injured by protection to the latter. Yet no truth in political economy is better established, than that these interests are inseparably connected. No nation wholly agricultural, or wholly agricultural and commercial, can be, in any considerable degree, prosperous and happy. Our own country furnishes conclusive evidence of the fact, that agriculture can not prosper without manufactures. It was to relieve us from a state of dependence upon foreign nations for supplies of manufactured goods, and to provide an additional market for our surplus agricultural products, that the power of the General Government to encourage domestic manufactures was created and has been exercised. The wisdom of thus providing a home market for the products

of agriculture, stands vindicated by the opinions, not only of the most eminent statesmen and ablest writers on political economy of our own and other countries, but by the practice of every highly civilized and prosperous nation. We cite a few authorities on this subject:

"Whatever tends to diminish in any country the number of artificers and manufacturers, tends to diminish the home market, the most important of all markets for the rude produce of the land, and thereby still further to discourage agriculture."—*Smith's Wealth of Nations*, vol. ii. p. 149.

"The exertion of the husbandman will be steady or fluctuating, vigorous or feeble, in proportion to the steadiness or fluctuation, adequateness or inadequateness, of the market on which he must depend for the vent of the surplus which may be produced by his labor; and such surplus, in the ordinary course of things, will be greater or less in the same proportion. . . . For the purpose of this vent, a domestic market is greatly to be preferred to a foreign one; because it is, in the nature of things, far more to be relied upon."—*Hamilton's Report on Manufactures.*

"No earthly method remains for encouraging agriculture where it has not raised up its head, that can be considered efficacious, but the establishing of proper manufactures in those countries you wish to encourage. . . . If a manufacture be established in any rich and fertile country by convening a number of people into one place, who must all be fed by the farmer, without interfering with any of his necessary operations, they establish a ready market for the produce of his farm, and thus throw money into his hands, and give spirit and energy to his culture. . . . Insurmountable obstacles lie in the way of a farmer in an unimproved country, who has nothing but commerce alone to depend upon for providing a market for the produce of his farm."—*Anderson on National Industry.*

"While the necessities of nations exclusively devoted to agriculture for the fabrics of manufacturing states, are constant and regular, the wants of the latter for the products of the former, are liable to very considerable fluctuations and interruptions. . . . The importations of manufactured supplies seem invariably to drain the merely agricultural people of their wealth. Let the situation of the manufacturing countries of Europe be compared in this particular with that of countries which only cultivate, and the disparity will be striking."—*Hamilton's Report on Manufactures.*

"Those who wish to make agriculture flourish in any country, can have no hope of succeeding, but by bringing commerce and manufactures to her aid, which, by taking from the farmer his superfluous produce, gives spirit to his operations, and life and activity to his mind."—*Anderson on National Industry.*

"A sound legislation on the subject of duties on imports, is the true safeguard of agricultural and manufacturing industry."—*Chaptal.*

"Our agriculturists want a home market. Manufactures would supply it."—*Cooper's Principles of Political Economy.*

"Our country ought not to remain dependent on foreign supply, always precarious, because liable to be interrupted."—*Washington.*

The promotion of manufactures must *necessarily* create an additional home demand for the produce of the farmer. This is implied in every executive recommendation, and in every effort to encourage manufactures. The object is to enable those engaged in agriculture to obtain their supplies of manufactured goods for the products of their labor, for which there may be, and generally is, an inadequate market abroad. And these recommendations will be found in the messages and other writings of all the earlier Presidents.

Never, perhaps, was the true object of protection better or more clearly expressed than by President Jackson in his first annual message, December, 1829:

"The agricultural interest, from its connection with every other, and from its superior importance, deserves particular attention. *It is principally as manufactures and commerce tend to increase the value of agricultural productions, that they deserve the fostering care of the Government.*"

Five years earlier he uttered the same sentiment, more at length, in his letter to Dr. Coleman, of April 26th, 1824, while in the Senate of the United States, and during the pendency of the tariff bill of that year, in the passage of which he took an active part. It deserves a place in every work on political economy; and, notwithstanding our limited space, we are induced to insert a material portion of it:

"I will ask, what is the real situation of the agriculturist? Where has the American farmer a market for his surplus products? Except for cotton, he has neither a foreign nor home market. Does not this clearly prove, when there is no market either at home or abroad, that there is too much labor employed in agriculture; and that the channels of labor

should be multiplied? Common sense at once points out the remedy. Draw from agriculture this superabundant labor; employ it in mechanism and manufactures; thereby creating a home market for your bread-stuffs, and distributing labor to the most profitable account; and benefits to the country will result. Take from agriculture in the United States six hundred thousand men, women, and children, and you will at once give a home market for more bread-stuffs than all Europe now furnishes us. In short, sir, we have been too long subject to the policy of the British merchants. It is time that we should become a little more *Americanized;* and instead of feeding the paupers and laborers of England, feed our own; or else, in a short time, by continuing our present policy, we shall all be rendered paupers ourselves.

"It is therefore my opinion, that a careful and judicious tariff is much wanted to pay our national debt, and afford us the means of defense within ourselves, on which the safety of our country and liberty depends; and last, though not least, give a proper distribution to our labor, which must prove beneficial to the happiness, independence, and wealth of the community."

The operation of the policy then adopted, and matured and strengthened by several successive tariffs, has fully verified the statements of this letter. The domestic market created by the establishment of manufactures has long been of more value to the farmers of the United States than all the foreign markets of the world. And it is confidently believed, that by no other means could agricultural industry be so effectually invigorated, or agricultural wealth so rapidly and so surely increased, as by such a modification of the tariff as should give to manufacturers a protection equal to that which was afforded by the act of 1842.

Is it good policy for the farmer of Illinois or Iowa to transport his wheat a distance of 4,000 miles to a market, and to transport in return, the same distance, the cloths, the hardware, and the iron received in exchange for his wheat, or purchased with the avails? The common sense policy of Gen. Jackson, as well as that of Jefferson, was to "plant the manufacturer by the side of the farmer." Men, in general, act upon this principle. Where is the man wishing to invest his capital in agriculture, who would not be governed by the consideration of proximity to a good market? Nor would it be with him the controlling question, whether the money price of the goods manufactured in his neighborhood

is or is not higher than that of similar goods brought across the Atlantic, and which he would have to pay for from the avails of his wheat which has been subjected to freight and charges equal to one-half or more of its value. His coat or his boots of domestic manufacture, though enhanced in price by an amount equal to the thirty per cent. duty by which it is protected, would still be cheaper than the foreign article duty free.

But it must be considered, that a large portion of the lands of every country—almost of every farm—is not adapted to the culture of wheat; and the coarse grains will not admit of transportation to a foreign market. Admit that these may be converted into beef and pork which will bear transportation a greater distance. It is still true, that there is no adequate foreign market. Notwithstanding the large consumption of grain and provisions by those engaged in the manufactories of various kinds, and all who are supported by their labor, the surplus exceeds the foreign demand, and might be largely increased. But break down these establishments which have been brought into existence and sustained by protection, and compel those who are now merely consumers to become also producers of agricultural products, thus not only contracting the home market, but increasing the superabundant and unsalable surplus, and how long would the mass of our people have the ability to buy foreign manufactures at any price?

But there is still another consideration—one of no small importance, but which seems to be either overlooked, or not duly appreciated by those who commend to us the foreign in preference to the home market. The farmer who resides in the vicinity of a manufacturing village finds a market not only for large quantities of his coarse grains, but for the more bulky products of his farm and garden, for which there would otherwise be no demand at all. Let but one-half of the unimproved water-falls in our country be employed in the various manufactures of wool, cotton, iron, wood, &c., and millions of dollars would be added to the annual profits of agricultural labor, from the sale of products which are now almost worthless. For an example illustrating the advantages to the farmer of a prosperous manufacturing town within a convenient distance, the reader is referred to the account, in a preceding chapter, of the Steubenville factory. [See pages 185, 190.]

In calculating the benefits derived by agriculture from

manufactures, it is not sufficiently considered, that the importation of manufactured goods is virtually the importation, to a considerable extent, of the products of agriculture. The bread, and meat, and other food, consumed by those employed in the manufacture, is paid for by the American farmer in the purchase of the goods, and the market for his own products diminished. This has been well illustrated in a former chapter. [See speeches of Mallary and Stewart on the woolens bill of 1827, pages 185, 190.]

The advantage of a foreign market has been too highly appreciated. For many years the existence of the British corn laws was deeply deplored; and every agitation of the question of their repeal, excited no little interest in this country. Yet, after the passage of the repeal bill in 1846 had been rendered nearly certain, the arrival of the news caused no material advance in the prices of wheat and flour in the United States. Western flour was sold in New Orleans for $2 50 per barrel. In Philadelphia and Baltimore, the price of wheat was 88 cents per bushel, and of flour, by the cargo, less than $4 per barrel; and in New York but little higher. The extraordinary failure, in Europe, of the crop of the preceding year, caused, soon afterwards, an extraordinary foreign demand for bread-stuffs to prevent starvation, which did actually occur to some extent in Ireland. But time has proved what had often been stated by the advocates of a home market, that from the cheaper production of wheat in Northern Europe, the American farmer would be disappointed in the expected benefits from the opening of British ports to foreign wheat.

But even if there were a market abroad for our surplus bread-stuffs, would it be good policy to rely upon that market, ever uncertain, because liable to sudden changes from over production or adverse legislation? Does not the American farmer derive a two-fold advantage from a home market created by manufactures? In the first place, he saves the cost of transportation to a distant market; and secondly, there being a less number of producers, the surplus will be less, and, consequently, the price higher. There were imported during the year prior to the passage of the tariff act of 1846, cotton goods to the amount of about $13,000,000, when flour, as has just been stated, was worth only about $4 a barrel at our sea-board, and half that price in the Western States. Now if a sufficient number of the producers of flour had been taken from that employment to make cotton goods

to the amount of those imported, is it not probable that the farmer would have received a higher price for his flour?

But the market for the grain, meat, and other agricultural products required for the subsistence of those engaged in manufactures, is but one of the advantages, to the agriculturist, of the protective system: the demand created for the raw materials is a result scarcely less important. The domestic market for the article of wool alone contributes largely to the aggregate profits of agricultural labor. A great portion of our land is not adapted to the production of grain, but is well suited to the raising of wool; and but for the home demand for this product, much of the land devoted to sheep husbandry would be of comparatively little value. There were, in 1842, in the United States, according to the best calculations, 34,000,000 sheep, worth $70,000,000, requiring 11,000,000 acres of land for their keeping, the value of which, at $10 per acre, is $110,000,000; making the aggregate capital employed in sheep husbandry, $180,000,000. The annual crop was estimated at 90,000,000 pounds, worth $40,000,000. The destruction of the market for wool by the free introduction of foreign woolens, would have been a serious blow to agriculture. Much of the land appropriated to the production of wool must have been devoted to tillage, swelling, to a vast amount, the surplus of grain, already too great for the demand. The importations of woolen goods amounted, at the same time, to $13,000,000 annually; of hempen and flaxen goods, to $5,485,000. The supplying of the raw materials of these manufactures would have added considerably to the value of the home market for the products of agriculture.

We have remarked, that the supposed tendency of the encouragement of manufactures to injure agriculture, is one of the principal objections urged against the protective system. We notice among the resolutions passed at an anti-tariff meeting held in Boston, in 1820, one in which the leading men of that city gavely resolve that they "are incapable of discovering its [the tariff's] beneficial effects on agriculture, since the obvious consequence of its adoption would be, that the farmer must give more than he now does for all he buys, and receive less for all he sells."

To this it is replied, that it was the *want* of an adequate market that rendered the encouragement of manufactures necessary. It was the want of a market abroad for the farmer's products that induced the attempt to provide for him a

*home* market. The low price of grain and flour at that time is well remembered, and has been already mentioned. The demand was unequal to the supply; and the object was to build up a new interest, with the view of equalizing the supply and the demand.

As capitalists were too prudent to venture their money in a new business in competition with foreign rivals wielding immense capitals, manufactures could not be established without governmental aid. And if a greater portion of the people could not be drawn into other employments, must not agricultural products continue to depreciate, if, indeed, a further depreciation were possible? It would seem that men far less wise than these Bostonians, with unprejudiced minds, would have seen the absurdity of such notions as are here put forth. It will not be readily believed, that, where there is already a large surplus, to increase the number of non-producers of agricultural products, should have the effect of lessening their price! or that the farmer who is furnished with a domestic market *in addition to the foreign*, is obliged to sell at lower prices!

Let it be admitted that the farmer, in consequence of the protective duty, pays a higher price for the articles he buys. It is contended that this enhancement of price is more than counterbalanced by an increase of the prices of the products of his labor. But protectionists then maintained, as they now do, that domestic competition soon reduces the prices of manufactured goods. The correctness of this theory has been so abundantly proved by experiment, that the very men who formerly combated, have since embraced it. Among the citizens of Boston who adopted the resolution referred to, was Mr. Webster, who, a few years later, became a thorough protectionist. Similar changes of sentiment have occurred among our most eminent statesmen in every part of the Union.

It appears that, during a period of thirty years from 1816, protection, as a system adapted to a state of peace, received its main support from the agricultural States; and efforts have at no time been wanting, on the part of its opponents, to persuade the farmers that a protective tariff was injurious to them. In 1828, a report was issued by a certain committee in Boston, inculcating the doctrine of what is called free trade, and representing the *foreign market* as all-important to the farmer. They said: "If we import foreign goods, we must export domestic produce to pay for them: in propor-

tion therefore as we import more foreign goods, we shall create, by the importation, a new demand for agricultural produce;" and "there is no class of persons more interested in resisting the prohibitory or American system than the farmers." Further: "It diminishes the value of the whole produce of the farmer, by depriving him of a market for that surplus produce on which his revenue mainly depends."

In an industrial convention held in the city of New York, in 1842, the Committee on Agriculture, by Hon. Harmar Denny, of Pa., replied to the doctrines of the Boston report, and showed by facts and figures the superior value of the domestic market. The demand in England for wheat could be more cheaply and more quickly supplied from Northern Europe. Although our population had increased from 3,921,426 in 1790, to 17,069,453 in 1840, having quadrupled in 50 years, and many millions of fertile new lands had been brought under cultivation; and although the countries with which we had the greatest commercial intercourse had also increased in population—Great Britain, for example, from 10,942,646 in 1801, to 18,664,761 in 1841—and their capacity to consume the products of agriculture had also largely increased; yet, during this long period of 50 years, in our exports of flour there had been no increase. During the four years from 1791 to 1794, inclusive, we exported the average quantity of 841,198 barrels of flour annually, besides about 4,000,000, bushels of wheat; [the latter, probably, not annually but during the whole four years;] and during four years ending September, 1840, the average, annually, of 396,883 barrels. The exports of beef had fallen off more than one-half; and the exports of pork had slightly increased; thus showing, on the whole, a *diminution of exports.*

The protective policy was superseded by the compromise act of 1833, which took effect on the 1st of January, 1834; yet during the seven years ensuing, there were exported only 5,707,680 barrels of flour, to 7,421,326 barrels exported during the preceding seven years. In the exports of beef and pork, the falling off during the same period was proportionally still greater. The amount of this decrease in exports of the three articles during the seven years, was estimated at upwards of $13,000,000. Thus did experience refute the proposition, that, "in proportion as we import more foreign goods, we shall create, by the importation, a new demand for our agricultural produce."

Agriculture, that great interest for which so much concern

has been expressed by anti-protectionists, has not been overlooked in framing our tariffs which have been intended for effective protection. Such protection can be, and has been, afforded in two ways: first, directly, by duties to protect the farmer from injurious competition with foreign labor in supplying the home market; and secondly, indirectly, by so protecting other interests as to augment the demand for agricultural products. The duty of 25 cents a bushel on wheat has afforded the requisite direct protection; and the duties upon foreign manufactures, by which our own have been encouraged, have increased the demand for the products of agriculture, by creating a permanent home market.

The foregoing facts and arguments can hardly fail to convince any one of the advantage of a home market for the surplus products of agriculture. There are many, however, who consider this advantage more than counterbalanced by the increased prices which the farmer, in common with other classes of the community, is compelled to pay for his manufactured goods. The facts already given from the debates in Congress and from other sources, in confirmation of the arguments and reasoning in support of the theory that protective duties create competition and reduce prices, ought, perhaps, to be deemed a conclusive answer to this very common objection of the opponents of the protective policy. We shall, however, present some additional testimony. We commence with a few extracts from the speech of Mr. Berrien, a Senator in Congress from Georgia, to the citizens of Boston, in 1844. The views of Mr. Berrien, may, perhaps, in the minds of some, be entitled to the greater weight, from his having become a convert to the principles of protection from facts and reasons which he subsequently employed in its defense. He said:

"Now, I have before me a statement of prices, made from actual sales in the city of New York in the years 1840, '41, '42, '43, and '44, of raw cotton and of cotton manufactures, such as shirtings, sheetings, checks, ginghams, calicoes, drillings, flannels, &c., which shows unequivocally that the prices of these articles have not been increased by the operation of the tariff. This is experience. A little reflection will convince us that such must be the result. If a duty is prohibitory, its first operation, by excluding foreign competition, and leaving us to the limited supply which our manufacturers could at a moment furnish, would be to raise prices, unless this state of things should be altered by large importations

made in anticipation of the duty. I think, however, our countrymen, and especially that portion of them who are chiefly engaged in manufactures, have credit generally for understanding their own interest, and knowing where the most profitable investment can be made. As soon, therefore, as prohibitory duties should have unduly increased the profits of capital in any branch of manufacture, a rush of capital from other pursuits in which it was less profitably employed would take place; and this, with the certainty of the home market, would occasion a reduction of prices. This is abundantly proved in the case of coarse cottons, where the duties are prohibitory; yet prices have fallen, and the quality of the article has improved.

"The process of the reduction of price where the duty is raised, but not to the extent of prohibition, seem to me equally plain. Our principal dealings are with England. Her manufacturing energies, to which she is so largely indebted for her greatness, have not yet been thoroughly developed, because she has not yet found an adequate demand for the products of her factories. She is at this moment roaming about the world, not seeking whom she may devour, but whom she may supply. We are important customers, and can not be spared When, therefore, an additional duty is imposed by this Government on any article of English manufacture, an article similar to which is produced in this country, the manufacturer in England must consent to part with a portion of the profits of capital which he has heretofore received, to enable him to compete with our country here. The American manufacturer can not raise his price to a sum equal to the cost of production and of the duty superadded, for that would bring him into a disadvantageous competition with his English rival; while the latter, to enable him to compete with the American producer in his own market, must consent to a reduction of prices by a diminution of profits. This diminution of profits is the price which the English manufacturer pays for the privilege of our market. Such is the result as between the English and the American manufacturer. The former is compelled to bear a portion of the burden imposed by the tariff to enable him to enter into competition with the latter in his own domestic market. How much of what remains he can throw upon the American consumer, and how much he can bear himself, depend upon the state of supply and demand in the American market, and upon the vigor of the competition which he encounters there.

"It is not true, then, that the tariff of 1842 has unduly increased prices, or that the duties which it imposes are paid by the consumer. If this were even so, the burden would fall most heavily upon those portions of the Union which complain least, because their consumers are most numerous; the population being more dense, and the ability to consume being greater. But such is not the fact. Writers on political economy are appealed to in vain to establish it. On the contrary, they enter into minute details of the circumstances under which this duty is divided between the producer and the consumer. Some of the writers, founding their theories on facts totally dissimilar from, and inapplicable to, those which exist among us, do indeed advocate the doctrine of free trade; and it is this doctrine which is urged in good faith by the more frank of our opponents. But what is free trade? Where does it exist? Where can it exist?"

But to evade the force of the fact that a reduction of price has followed the imposition of protective duties, the reduction is ascribed to other causes. It is said that the prices of goods have fallen in other countries also, and would have fallen without the protective duties. It is admitted that, to some extent, prices have fallen in other countries; but, *reduction abroad has been greatest upon the protected articles.* And it has invariably taken place at such a time after the imposition of the protective duty, and under such circumstances, as to prove that the reduction was the effect of the domestic competition caused by such duty. And the uniform failure of the predictions of the opponents of our protective tariffs, that prices would be increased, serves to strengthen the conviction of the truth of the doctrine maintained by the advocates of protection on this subject.

Yet it is urged that prices would be still lower, but for the duty. This objection is answered by the fact, that the consumers of those articles which have been adequately protected, are supplied with such articles at prices as low as the people of those countries against which the tariff operates are supplied with similar articles of their own manufacture; and by the additional fact, that the American manufacturer competes successfully with the foreign in any market to which they are admitted on equal terms.

Again: the reduction of prices is attributed to the improvements in labor-saving machinery. This is admitted; but what has caused this improvement in machinery? This question is thus answered by Mr. Hudson, in his report on Manufactures in 1844.

"Protection created a competition, and competition has been the efficient cause of these improvements. The inventive power which has been exerted in perfecting machinery, would have slumbered for ages to come, as it has for ages past, had not manufactures been prosecuted under such brisk competition, that necessity, which is the mother of invention, demanded the employment of labor-saving machines. So that, after all, this reduction is to be ascribed to protection—to the industry which it stimulates, and the genius which it excites.

"We admit that duties, self-considered, all other things being the same before and after the imposition of the duty, would increase prices; but such a case can hardly exist. The very imposition of the duty would effect a change. The duty would tend to check importations; this would create a surplus in the hands of the foreign manufacturer, who would reduce his price. The duty would also induce our own citizens to go into the manufacture; and this new competition would have a further tendency to bring down the price. But prices themselves are only relative. If the duty should increase the price of the articles 10 per cent., and the encouragement to industry should increase the ability to purchase to the same extent, no additional burden would be thrown upon the community."

But, it is said, if duties tend to reduce prices, they afford no protection to the manufacturer, and are therefore unnecessary. An answer to this argument has already been given in some of the debates; but as it is one which protectionists have occasion frequently to meet, we will, at the hazard of being considered tedious on this subject, give Mr. Hudson's illustration of this principle:

"An article now free from duty is selling in our market for $1 20. The elements which make up this price are these: cost in foreign market, $1; cost of importation, 10 cents; importer's profits, 10 cents; making $1 20. At this price the article can be manufactured and sold in this country. Now, let one of our citizens go into the manufacture of this article, and what will be the result? Why, the foreign manufacturer, who has heretofore enjoyed the monopoly of our market, and who is enjoying large profits, will immediately put the article at 90 cents to the American importer; this being the cost of the article. He will willingly forego all profit for the time being, for the purpose of crushing the infant establishment in this country; and the importer will

give up one-half of his profits rather than lose this portion of his business. This will reduce the price of the article to $1 05. The American manufacturer finds the article in the market at this reduced price, which is, in fact, less than he can manufacture the article for. He must, therefore, abandon his business, give up his establishment at great sacrifice, and yield the market to the foreign manufacturer, who, finding his rival destroyed, will immediately demand the old price, $1; and the consumer in this country will be compelled to pay $1 20; or perhaps $1 25, to make up the loss which the importer and manufacturer sustained during the period of competition. This is the result when the article is free of duty.

"Now we will take the same article, at the same price, both in Europe and America, with a protective duty. A duty of 15 cents is imposed upon the article to encourage domestic manufactures. This, added to the former price, $1 20, brings the article up to $1 35. The foreigner fears the loss of the American market, and to prevent a surplus in his own market, and create a surplus here, he will at once put his article at cost, 90 cents. The importer will forego half his profits, and take off 5 cents, which will bring the article down to $1 20, the very price which it brought before the duty was imposed. In the mean time the American manufacturer produces the article, which he can sell for the same price. Here then, the manufacturer is protected, and the consumer has no additional price to pay. The importation will not be materially checked; and this, with the domestic production, will create a surplus, which will tend to a reduction of the price. A sharp competition will ensue, and necessity, that mother of invention, will bring out improvements in machinery; so that the article can be procured at a cheap rate. The skill, also, which is acquired, will enable the manufacturer to turn off the article at less expense, and so afford it to the consumer at a reduced price. Thus will discriminating duties protect the manufacture and cheapen the article."

It is said, also, that all manufactures adapted to our circumstances will, without special protection, be introduced and extended, as soon and as far as will promote the public intetest. Why, then, has it not been done? What great interest of this kind has ever been thus established and has prospered without protection? If among the numerous articles extensively manufactured in this country, there are none

which have not been effectually protected, it is fair to presume that their establishment is the effect of protection. It is deemed far better to give an early impulse to this important branch of national industry, than to leave it to struggle for a long and indefinite period against large foreign capitals, aided, too, by restrictive legislation.

Moreover, it is said, that protective duties "favor great capitalists rather than personal industry or the owners of small capitals, and therefore do not promote national industry." This, indeed, was gravely resolved, by the Boston meeting before mentioned in this chapter. It is difficult to imagine how any but great capitalists can succeed in a competition with the immense capitals of old countries. The same objection might with equal propriety and force, be brought against any other important enterprise. It is by large investments that employment is given to those who have no capital. If manufactures were left to persons of small capitals, would they ever be established? or could they be established without protection? The smaller the capital, the greater the need of protection.

One of the principal objections to the protective policy is its supposed injury to commerce. No persons, as a class, have more generally opposed the encouragement of manufactures, than those interested in commerce and navigation. Yet no others have been so inconsistent and illiberal in their opposition. Of all the great interests, no other has been so effectually protected as the shipping interest. Hence it has been called, and not inappropriately, the "pet" of the Government. The act passed by the first Congress next after the act providing for revenue—being the second act of a general nature passed under the present Government—was an act imposing tunnage duties to protect American shipping against foreign competition, and especially to counteract the effects of the British navigation acts. [See pages 24, 54, 87.] The duties were continued for many years, and several times raised. They were for some time kept at $2 a tun upon foreign vessels. Still further aid was given to this interest by several of our tariff acts, by which duties, higher by 10 and 20 per cent., were imposed upon certain goods imported in American vessels.

The trade with the British colonies and islands has, at times, at the urgent solicitation of the merchants, been secured to American shipping, by acts absolutely closing our ports to British shipping. Our foreign trade generally has

been protected by discriminating duties of $1 a tun on foreign, and 6 cents a tun on American vessels; so that a foreign ship of 300 tuns burthen paid $300 tunnage duty, and one of our own of the same burthen, $18. At one time, to countervail an unreasonable French tunnage duty of $18 a tun, Congress, in answer to the petitions of commercial men, imposed a prohibitory duty of the same amount upon French shipping, by which France was induced to remove her unjust and odious restrictive duty.

Our coasting trade—an interest not less important than the foreign trade—was, by various acts of Congress, secured to our shipping, which enjoyed a complete monopoly. Yet with all this special legislation in their favor, this class of our citizens have been clamorous for *free trade*. And it is remarkable, that, amidst all the denunciations from the South against the protection of the manufacturing interest, no note of remonstrance has been uttered against the protection of commerce. It is true, that, for many years, discriminating duties have been removed from the vessels of those nations which have become willing to admit our vessels into their ports on equal terms with their own. But this reciprocity was not offered nor consented to on the part of our Government until our navigation had become so firmly established as to be able to maintain a successful competition with that of other nations.

Custom-house credits, or credits on the duties levied on imports, were also intended for the benefit of those engaged in commerce. These credits were increased, in point of time, until the period was extended in some cases to eighteen months, thus enabling the importer virtually to double his capital and to make two voyages on the duties thus credited.

The fisheries, too, have received most effectual protection. Large sums have been paid to Eastern merchants in the shape of bounties on fishing. Yet neither against the protection of this interest has there been any serious opposition from the advocates of free trade.

Of course, the friends of the protection of manufactures do not complain of the favor shown by the Government to commerce or any other interest. They regard the various interests of the country as equally entitled to the protection of the Government, believing that protection to one is likely to benefit the others. They believe, too, that, as has already been observed, diversifying labor, or multiplying the number of industrial pursuits or objects of labor, is one of the most

effectual means of promoting the wealth and prosperity of a nation. A people whose industry is confined principally to agriculture, or any other single pursuit, or to a very few objects of labor, can not be truly independent, or highly prosperous. The various branches of manufacture, and the mechanic arts, open a wide field of industrial labor, which should not be suffered to remain unoccupied. [*See Hamilton's report.*

One of the great benefits resulting from the encouragement of manufactures, is that arising from the increased power of production by the use of machinery. Whatever enables one person to perform the labor of ten, twenty, fifty, or a hundred persons, contributes greatly to the wealth and power of a nation. This argument has been ably presented, and not to be here repeated. [*Clay's speech in* 1824, *and others.*]

The condition of a people is believed to be the most happy and prosperous when those of the different occupations are united in one common pursuit, with no rival feeling between them but that which shall effect the most for the good of all. The following admirable remark, made nearly a hundred years ago, by a distinguished patriot, [James Otis,] is deemed appropriate in this place:

"The tradesman and the husbandman would do well to consider, that when they are for cramping trade, they are for killing a faithful servant who is toiling day and night, and eating the bread of care, for their sake as well as his own. The merchant and the gentleman would do well to reflect, that the hands of the tradesman and the husbandman are their employers, and that unless they increase and multiply in their commodities and riches, the merchant will never flourish. The merchant, the tradesman, and freeholder, should consider themselves as the most immediate and natural brothers in the community; that God and nature *have made their interests inseparable;* and when they will agree conjointly, no mortal hand can ever prevail against them."

In conceding the claims of commerce to protection, in common with the other industrial interests, it does not follow that duties are to be laid with special reference to the increase of our foreign trade. Few, it is presumed, would advocate the policy of importing for the purpose of augmenting the profits of those engaged in such trade. Nor do we believe that such policy would prove to be the most beneficial, ultimately, to commerce itself. Every interest, commerce not excepted, is dependent upon other interests. The legitimate business of commerce is to effect the exchanges of

productions between different countries, and between the different parts of the same country. Any measure, therefore, which seriously affects agricultural and manufacturing or mechanical industry, will eventually injure commerce. Hence, a tariff should be so constructed as to increase the products of agricultural and manufacturing industry to the greatest extent compatible with the general welfare, leaving to commerce, duly protected, the business of effecting the exchange of these productions. Such a tariff would prevent those fluctuations in business and those pecuniary pressures, which have so frequently occurred, and secure permanent prosperity to all the leading interests of the country. These desirable objects are effected thus:

In the first place, a judicious tariff, by diversifying labor, or multiplying the industrial employments, increases the productiveness of a nation, and consequently the business of commerce. And, though *foreign* commerce should not always be proportionably increased, or even if it should be in some measure diminished, this diminution would be amply compensated by an augmentation of the *internal* trade. In the next place, a well adjusted tariff prevents excessive importations which, by draining the country of its specie, cause a derangement of the currency, with its usual concomitant evils, stagnation of business and general financial embarrassment. Practical men have long regarded over-importations as causes of those crises in the money-market which have proved so prejudicial to commerce as well as other branches of industry.

This doctrine finds a practical illustration in the operation of the tariffs of 1842 and 1846. The effect of the former, as we have seen, [Chap. xiii,] was to revive the business, and reinvigorate the productive power of the nation. While it prevented excessive importations, it did not diminish them. After the first year of its operation, *importations gradually increased with the increase of the ability of the people to pay for them.* And such were the steadiness and uniformity of its operations, that the annual revenue, during the last three years of its existence, varied in amount but a few hundred thousand dollars. Very different were the results of the system established by the tariff of 1846, a description of which having been given, its repetition is unnecessary. [See Chap. xvi.] The effects of that tariff are still felt; and although there may be an occasional temporary improvement in the state of the country without a thorough revision of it, it is confidently

believed, that permanent relief to the country will not be found until it shall be so modified as to interpose an effectual check to immoderate importation, and increase the demand for labor by additional protection to the depressed and declining branches of domestic industry.

It remains for us to speak of protection in relation to revenue. That a tariff of duties may be either too high or too low to produce a given amount of revenue, will scarcely be disputed. Whether, therefore, an act will produce the necessary amount of revenue, the most experienced and sagacious statesmen can not always foretell. Hence, every tariff bill intended to be protective, has been opposed from the supposition that the proposed duties were too low or too high to yield an adequate revenue. It is argued that, by high duties, a large portion of the people will be induced or compelled to dispense with many articles of foreign growth or manufacture; and that, with the consequent diminution of imports, the revenue also must necessarily be diminished. But such a result depends upon at least two circumstances. The amount of our importations is affected, in a great measure, by the ability of the people to purchase. When they are prosperous, they will buy more at high prices, than they will buy at lower prices, when, from the want of protection, labor is not adequately rewarded. Again, the price of a protected article is seldom increased, even temporarily, to the full amount of the duty imposed. If the foreign manufacturer has enjoyed the monopoly of our market, and has thus been enabled to control the price, it is presumed that he has realized large profits; and whether to meet the limited means of the people to buy his goods, or the domestic competition produced by the protecting duty, he will be compelled to reduce the price to the American importer to an amount nearly or quite equal to that of the duty.

We have observed that it would be impolitic to encourage importations *for the purpose* of increasing the profits of commerce. No less questionable is the policy of importing *for the sake* of revenue; in other words, of buying more goods abroad than we can conveniently pay for, for the purpose or privilege of being taxed on them for raising money to pay the expenses of the Government. If a tariff could not be devised or agreed upon which should raise a revenue equal to the necessary public expenditures without excessive importations, would it not be far wiser, in order to supply the deficiency, to have resource to direct taxation, as has

been done several times under the present Government? This mode of taxation requires every man to pay according to his ability, and ought not to be objected to by those who contend that duties necessarily increase the prices of the articles protected.

The doctrine that duties are to be laid with exclusive reference to revenue is not that which was held by the founders of our Government. Nor did they recognize that as the true doctrine which allows a discrimination with a view to the protection of certain articles, in laying duties for revenue, but denies the right to lay duties for the encouragement and protection of domestic industry, and to an amount exceeding that which is necessary to meet the actual wants of the Treasury. Of this we have abundant confirmation in the history of the causes which led to the calling of the Convention which formed the Constitution, and in the subsequent acts, legislative and executive, as well as the recorded opinions of the leading members of that Convention, and of a large majority of our most distinguished statesmen and expounders of the Constitution in later times.

# CHAPTER XIX.

**Brief review of the foregoing history. Commercial policies of England, France, Spain, Germany, Russia, &c., compared. Conclusion.**

To provide for the common defense and general welfare of the United States, is the great object of our Constitution. As a means to this end, power is conferred upon the General Government to regulate trade, both foreign and domestic. This, as appears from our political history, was the principal moving cause that led to the formation of the present Constitution. The particular object of this power, as we have seen, was to protect the people of this country against the operation of the restrictive policy of foreign nations, especially that of Great Britain.

As has been observed, Congress, in pursuance of the joint powers of taxation and protection granted by the Constitution, immediately passed the act of 1789. There being at that time, and for many years afterward, a foreign demand for the products of our soil, and a portion of the revenue being raised by internal taxation, lower rates of duty were imposed by that act and several acts which succeeded it, than were found necessary at a later period. Imported goods were paid for chiefly by our cotton, bread-stuffs, and other provisions.

In 1807 commenced our commercial difficulties with Great Britain and France, by which our trade was embarrassed until the close of the war with the former Power, in 1815. During most of this period, we manufactured largely for ourselves. The interruption of our foreign commerce, and the double duties upon imported goods, afforded protection to manufactures; and various branches of manufacturing were successfully established.

The tariff act of 1816, was the first which had reference to a general state of peace. This act is sometimes spoken of as the beginning of our protective system. It fell far short, however, of giving due protection to our infant manufactures, except the article of coarse cottons, and a few other articles of minor importance; the high war duties under which manufactures had sprung up, having ceased, according to the

provision of the act creating them, at the expiration of one year after the termination of the war. Not only were the duties generally under the act of 1816 too low for protection, but they were changed, in too many instances, from specific to *ad valorem*, the tendency of which to induce frauds by false invoices, has been repeatedly alluded to. There being no effectual check upon importations, the market was flooded with foreign goods; manufactories were soon closed; the demand for labor was diminished; the products of the farmer declined in price; specie was exported; banks failed; and our foreign debt was greatly increased.

In 1820, an attempt was made in Congress to alleviate the public distress, by a revision of the tariff; but it was defeated by the combined opposition of the Eastern and Southern, or the shipping and the planting States. The foreign demand for the great Southern staple, cotton, and the employment of Eastern shipping to transport it to a distant market, greatly moderated the pressure upon these sections of the Union, while in the agricultural States the effects of "free trade" were oppressive in the extreme.*

The tariff act of 1824 was more protective in its character, though failing in its operation, to fulfill the expectations of its friends. This tariff, too, was opposed by some of the Eastern and by the Southern States generally, and was passed by a very small majority, having received its main support from the Middle and the Western States. Its greatest defect, as was alleged by the friends of protection, was the *ad valorem* principle of laying duties, which prevented the full measure of protection contemplated by the act, especially to the manufacture of woolens. On the whole, it gave but partial relief to the country.

In 1827, an effort was made to remedy the defect complained of. With this view, the "woolens bill" was intro-

* The term, free trade, in its strict and literal sense, signifies a commerce between nations, in which the commodities exchanged and the vessels in which they are transported, are free of duty; or in which goods are subject to no charges except those of transportation, port charges, &c., leaving the Government to raise a revenue by direct taxation. But the term is more generally applied to a trade in which the rates of duty are intended to produce a revenue limited to the expenses of the Government, and the friends of which advocate *ad valorem* duties of nearly uniform rates upon all articles. The term is sometimes used with still greater latitude, permitting a discrimination in favor of certain articles which need protection, but by duties so low as not materially to check importations. Hence it is seen that the term is practically a very indefinite one.

duced, of which a history has been given. But the object failed. [Chap. VIII.]

The next year, 1828, the friends of the protective system rallied, and passed an act for a general revision of the tariff, which was the first act passed since the peace which seemed to meet the wants of the country. A state of things followed, the reverse of that which succeeded the passage of the act of 1816. Manufactures at once revived; the demand for labor and agricultural products increased; specie returned; the revenue was augmented; and general prosperity was restored So abundant, indeed, was the revenue, as to justify the exemption of tea and coffee and other articles from duty; and the act of 1832, effected a material reduction of duties on articles not competing with those of domestic growth or manufacture.

By the compromise act of 1833, a radical change was made in the policy of the Government, by the adoption of a system of *ad valorem* "horizontal duties," which were to be ultimately reduced to the lowest revenue rates. The act took effect in 1834. The reduction provided for by the act was so gradual, that no serious inconvenience was immediately felt. The usual effects of free trade tariffs were not long delayed. Banking capital was rapidly augmented; large foreign debts were contracted; specie was exported; and the natural, inevitable consequence, a revulsion—a financial crisis—followed. Banks suspended; the farming, manufacturing, and industrial interests generally were prostrated; and the Government, in the midst of its war upon paper currency, was itself again compelled to resort to the issue of inconvertible paper in the shape of treasury notes.

In 1842, the last reduction of duties under the act of 1833 having been reached, and the people, smarting under the effects of a departure from the protective policy, having changed the administration, that policy was restored, the results of which have been noticed. [Chapter XIII.] The prostrate business of the country was revived; and a period of solid prosperity, seldom equaled in this country, was enjoyed, until after the readoption, in 1846, of the free trade or revenue system, which was again followed by results similar to those produced by the act of 1833. [Chapter XVI.] Importations, during the year ending June 30th, 1857, reached the enormous amount of $360,000,000! and our foreign indebtedness was variously estimated at from 300 to 500 millions! The vast production of the California mines—amount-

ing to hundreds of millions—could no longer stay the long predicted revulsion of 1857. The scenes of 1837 and 1842 were reproduced; and although banks have resumed specie payments, business has as yet but partially recovered from the shock; nor is the country likely to attain the prosperity it enjoyed under the auspicious operation of the protective tariff of 1842.

Thus it appears that the several crises which the country has experienced, have uniformly occurred in low tariff or free trade times; and that returning prosperity has as uniformly followed a return to the protective policy. Is it at all probable that these changes are the result of mere accident? Is it not reasonable to suppose that, under an act similar to that which was superseded by the revenue act of 1846, our languishing manufactures would again revive, and an increased demand for mechanical labor, and consequently for the products of agriculture, would be created? Let the farmer and the manufacturer, who have been long separated, be again —as recommended by Jefferson—placed side by side, and might we not hope to see the country reënter upon its career of prosperity?

During these periods of comparative free trade, when the producers and consumers have been so widely separated, and preceding these financial crises, there have been great unsteadiness in business movements, contractions and expansions in the revenue and the currency, and extravagant speculation; while the opposite results have followed the enactment of our protective tariffs. Witness the effects of the two systems upon our imports. Under the operation of the tariffs of 1828 and 1832, for the four years before the business of the country was sensibly affected by the compromise tariff of 1833, the importations were as follows: During the year ending September 30, 1831, $103,191,124; in 1832, $101,029,266; in 1833, $108,118,311; in 1834, $126,521,332. Under the tariff of 1842 the importations were, in 1844, $108,434,055; in 1845, $117,254,564; in 1846, $121,691,797; in 1847, $146,545,638. Here we see that, as soon as the people had begun to recover from the effects of the free trade tariffs, and as their ability to purchase increased, the imports under both these tariffs also gradually and regularly increased. The manufacture of cotton and woolen goods nearly doubled during this period, and the production of iron increased threefold. Hence the increased ability of the people to buy foreign goods.

Let us now look at the importations under the revenue tariff of 1846. In 1850, they were $178,138,318; in 1851, $216,224,932; in 1854, $304,562,381; in 1855, $261,468,520; in 1857, $360,890,141; in 1858, $282,613,150; in 1859, $338-768,130. The fluctuation and irregularity—the sudden increase and diminution, in the imports, during the last period, present a striking contrast to the regular and steady movements during the two periods of protection. The home market has been abridged. The producer and the consumer have been separated at a distance of from 3,000 to 5,000 miles; and from one-third to two-thirds of the value of the products of the former, for the sale of which he is dependent on a foreign market, are expended for freights, commissions, storage, and compensation to agents and middle-men through whom the exchanges are made. But even at this disadvantage, he finds the market too limited for his surplus products. Is it not strange that a system productive of such results should find advocates in this country?

Many regard periodical money crises and commercial revulsions as unavoidable—as the result of undue expansions of a paper currency, of over-trading, speculation, &c., to which the country is necessarily subject. These, however, are only the immediate or secondary causes of the evil, and are themselves the results of a great first cause, viz., the absence of that policy which was abandoned in 1846. In the prosperous times succeeding the enactment of the protective tariff of 1828, the bank circulation was 80 millions. The average circulation for four years previous to the crisis of 1837 under the compromise act, was nearly 150 millions. Again, under the protective tariff of 1842, the average circulation was about 76 millions; and under the free trade tariff of 1846, it was for three years—from 1846, to 1849—113 millions; and for the two years of 1850 and 1851, 143 millions.

Reädopt now the policy established by the act of 1842, and the scene would be changed. Bring together again the producers and consumers of the products of the earth; employ domestic instead of foreign labor; and a steadiness of business movements will reäppear, and industry will be again rewarded. There will be fewer incentives to speculation and fraud, and less necessity for the extension of credit; the tendency to overtrading will be restrained; and the excessive importations of goods and exportation of specie, and the consequent derangement of the currency, will be prevented.

That is held to be a wrong principle in political economy, which aims to cheapen all the raw materials of manufactures. It is regarded as the true policy to keep up the price of the raw products, and to reduce that of the manufactured article; so as to bring the raw material and the manufacture as nearly as may be to the same price; in other words, to diminish, as far as possible, the difference between the prices of the fabric and the raw product. How is this to be done? Manifestly thus: The producer of the raw material must have the advantage of a near and steady market, which is of course, a home market. To insure such a market, the manufacturer must be protected against foreign competition This protection enables him to maintain his position beside the producer; and the domestic competition induces or compels him to invent and introduce improvements in machinery in order to increase the power and diminish the cost of production. The competition between the manufacturers for the *purchase of the raw material*, secures to the producer a fair price, and the competition for the *sale of the manufactured article*, enables him to procure it at the lowest price at which it can be afforded; and thus, in consequence of the protection to domestic industry, he obtains a much greater quantity of goods for the products of his farm than before.

But, say some, this policy injures commerce. This protectionists do not admit: on the contrary, they hold, as has been before stated, that it lays the basis of a healthful and truly profitable commerce. They do not regard that commerce as the most profitable, in which products are exported in their crude and most bulky state, at the greatest cost of transportation. A wiser policy is that pursued by France, which is to export her wool and bread-stuffs in the form of cloth and other fabrics. According to an intelligent writer and statistician, she exported, in 1856, silks, cloths, clothing, and other manufactures of the more costly descriptions, to the amount of $300,000,000, the weight of which was less than 40,000 tuns, requiring for its transportation but forty ships of moderate size; whereas, the exports of the United States, consisting mainly of cotton, flour, grain, pork, fish, lumber, and other articles of great bulk and weight, amounting to only $230,000,000, during the same year, required for their transportation and that of the goods received in exchange for them, not less, probably, than 6,000,000 tuns of shipping, and the labor of 250,000 persons.

The enlargement of foreign commerce is too much the ob-

ject of legislation. It should be more our aim to increase domestic commerce. Domestic commerce tends to the development of the treasures of the earth, and to the development of human power. It tends also to cheapen the commodities required for the support of man, and to enhance the value of land. Respecting the importance of domestic commerce, an American writer [H. C. Carey] says:

"At every stage of its progress, local centers acquire a larger attractive power—the mill, the mine, the furnace, the rolling mill, and the grist and cotton mills, becoming the places of exchange, and thus diminishing the necessity for resorting to the trading cities of the world. The man whose labors have been given to the production of wheat, is thus enabled to exchange directly with one neighbor who converts wheat into flour, and another who has changed coal and ore into iron; with one who has converted wool into cloth, and another who has made rags into paper—at once economizing the cost of transportation, and obtaining the intellectual commerce required for enabling him to pass from the cultivation of the poor, to that of the richer soils."

Domestic commerce is essential to free trade. It gives the agriculturist a choice of markets. He may sell either at home or abroad. Dependence upon a foreign market alone, would place him at the mercy of foreigners, who would have it in their power to fix the prices both of the products he has to sell and of the goods he receives in return; and subject him, besides, to the enormous cost of transportation and other charges incurred in the exchange of products. This should be considered by our Southern planters.

"England has more agency in fixing the price of cotton than the planters who produce it. They take what she offers; and they have always been unwilling the English should have a competition for their cotton. England employs our planters to produce raw cotton for her factories, for which she pays only that price which competition among her own manufacturers fixes. England governs the price and quantity. At the same time she is stimulating the production elsewhere. There will be cotton produced in other countries for the English factories long before there will be another England to bid for our cotton. If the cotton planters had been as clear-sighted in commercial matters as the English rulers, there would now be as much or more cotton manufactured in the United States than in England."—*List's Pol. Econ., editorial Note.*

Mr. Carey, in one of his letters to the President, [Mr. Buchanan,] cites a remark of the latter made a few years since, which is much to the purpose:

"Thirty-one independent States, enjoying a thousand advantages, are naturally engaged in a free trade with each other. That is the free trade we want."

Our country embraces a great variety of soil and of products, and is therefore well adapted to internal commerce. One State is favorable to the production of cotton, rice, or tobacco, another of sugar, another of wheat, another of grass; and many of the States are suited to the growth of several of these staples, while not a few abound in coal, iron, and other minerals. Yet, with all these natural advantages for a great internal trade, there is a very limited interchange of productions. There are States whose people obtain from foreign markets those kinds of goods with which they might and ought to be supplied by their own States, or those adjoining. And with a judicious and permanent tariff, labor would soon become so diversified, and the different employments so numerous, as to establish a most active and vigorous domestic commerce. The millions now annually paid for the transportation of products to a foreign market would be saved; and the people would learn practically the benefits of real free trade.

At present, the commerce of State with State is small. Were the people of Illinois enabled to develop the vast deposits of coal and iron which that State contains, and thus to call to their aid the wonderful advantages of steam, the internal commerce of the State would grow rapidly; a market for the products of its soil would be created; and their producers would be enabled to become large consumers of cotton. Cotton mills and manufactories would be built, and bales of cotton wool would travel up the Mississippi to be exchanged for the iron required for the roads of Arkansas and Alabama, and for the machinery of cotton and sugar mills in Texas and Louisiana. Similar effects would be witnessed in every quarter of the Union.

"A century since, England was engaged in robbing her soil, and exporting it in the form of raw materials, to be sold, and at the lowest prices, to the manufacturing communities of the lower Rhine. The more the soil became impoverished, and the less its yield, the lower became the prices; and hence arose the boast among the German cities, that they bought from the Englishman the skin of the fox for a groat,

and then re-sold him the tail for a shilling. Ridiculous as this may now seem, it is precisely what we ourselves are doing—selling flour by the tun, and then buying it back again, in the form of cloth and iron, by the pound—selling cotton by the bale, and then buying it back by the penny-weight—and exhausting the soil in the effort, in this manner, to obtain the little cloth and iron we are able to consume. Even then, however, a change of the English system was near at hand. Efficient protection, developing the cloth and iron manufactures, soon gave the English farmer a market at home, and thus created domestic commerce, the only solid foundation for a great external one. Raw materials rose in price, while machines and cloths were cheapened; and thus was furnished the most conclusive evidence, that the nation which would advance in wealth and power, must adopt a policy looking to the emancipation of the farmer from the tax of transportation, and to the approximation of the prices of his rude products and those of the finished commodities required for his use."—*Carey.*

Useful lessons may be drawn from the policies of other nations. England prohibited the articles competing with those of her own factories, the silk and cotton goods of the East. She preferred to use the inferior and dearer goods produced by her own laborers, and to sell to the continental countries these cheap and more desirable commodities of the East; thus giving them the benefit of that cheapness denied to her own consumers. The English ministers thought it important to establish, though at some sacrifice, a durable manufacturing power. England has been eminently successful. She now produces cotton and silk goods to the value of £70,000,000 sterling, and supplies largely the markets of Europe and other parts of the world. The production of cloths in England has reached a value of £26,000,000; of cottons, £45,000,000.

A few hundred years ago, she was so destitute of iron that it was deemed necessary to prohibit its exportation; in the present century she produces iron and the manufactures of iron and steel of the value of £18,000,000. Silk goods £10,000,000. The whole product of the manufacturing industry of the three kingdoms is estimated at £187,000,000—nearly $900,000,000.

The industrial system of France seems to have been originated by Colbert, an eminent French statesman of the seventeenth century. Her manufacturing industry, commerce, and

navigation, had lost their importance, and the finances were in a deplorable state. Colbert invited manufacturers and skillful workmen from other countries, and effected great improvements in machinery. By a general system of duties, he secured to the industry of the country a home market; and by the construction of roads and canals, he promoted *domestic* commerce.

Advantageous as these measures were to manufactures, they were still more so to agriculture. The number of consumers of its products was increased from two to three-fold, and the producers and consumers were brought into easy communication. The export of raw materials was discouraged; and by the development of manufacturing industry, the demand for agricultural productions was increased.

After the death of Colbert, his system was overthrown. France became the purchaser of English manufactures, and her own were nearly destroyed. Napoleon, appreciating the importance of manufacturing industry, gave it material encouragement; and, during the French revolution, English competition was greatly restrained. But with his downfall, and with the return of peace in Europe and this country, the English began to denounce the protective system, and to extol Adam Smith's theory of free trade, evidently with the view of regaining possession of the markets of Europe and the United States for her manufactures. The insincerity of these advocates of free trade appears from the fact, that any proposition for opening her ports to foreign grain or manufactures, was firmly resisted. France, however, was induced to try the policy of free trade with England: but so disastrous did it prove to her industry, that she was soon obliged to adopt the protective system, under which, we are informed, her manufacturing industry was doubled between 1815 and 1827.

The exports of France which, from 1826 to 1835, averaged only 500,000,000 francs, reached 1,893,000,000 fr. in 1856.

Spain, at an early period, was distinguished for her woolen and certain other manufactures; and prior to the time of Colbert, supplied France with their fine cloths; and her commerce flourished. But history tells us that, by her religious persecutions, two millions of the most industrous and of her inhabitants, Jews, Moors, and others, with their capitals, were expelled from the country, to the destruction of her manufacturing industry. She was at length compelled to buy her manufactures abroad with gold and silver. Her com-

merce perished with her manufactures, and the elements of her power and prosperity are lost.

Germany also furnishes evidence of the benefits of the protective system. Two of the largest States of the Germanic Confederation, Austria and Prussia, gave early encouragement to agriculture and home manufactures; and a powerful impulse was given to the progress of industry. The rest of Germany remained for centuries under the influence of free trade—admitting foreign manufactures and other products, while German manufactures were excluded from the very countries whence these goods were imported.

Under the continental blockade of Napoleon, an impulse was given to German manufactures; but they could not endure the competition of those of England, to which they were again subjected at the return of peace. England inundated the German markets with her goods at low prices, in accordance with the policy which she had practiced for centuries, and soon after the declaration of Mr. Brougham, a member of Parliament, in 1815, that "England could afford to incur some loss on the export of English goods, for the purpose of destroying foreign manufactures in their cradle."

In 1819 an association or associations were formed which resulted in the Zoll Verein.* Under this organization, Germany has attained a state of comparative independence. Less than thirty years ago, she sent wool to England and received cloth in exchange. In 1825, 28,000,000 pounds were exported thither. Of course, wool must have been cheaper and cloth dearer in Germany than in England. Such has been the change under the present system, that, in 1851, the net import of wool and woolen yarn into Germany was 25,000,000 pounds, and the quantity of woolen cloths exported was 12,000,000 pounds; thus showing that wool had become dearer and cloth cheaper than in other countries; and that the prices of the raw material and the finished article had approximated toward each other.

*Zoll Verein is, in English, *Customs Union*. Prior to 1833, the States composing the Germanic Confederation, levied duties upon all merchandise passing their respective frontiers; and the commerce between them was fettered with vexatious and oppressive restrictions. To establish a better policy, five of the States, Prussia, Bavaria, Wurtemburg, Saxony, and Hesse Cassel, organized the German Customs Association, or Zoll Verein, by which all were to adopt the same tariff of duties on import, export, and transit; and the revenue thus derived is distributed among the members in proportion to the population of each. The other German States have since joined the Association.

Formerly Germany exported her rags, and imported her paper. In 1851, her net import of rags was 37,000,000 pounds, and the export of paper, 3,500,000 pounds. In the first period, rags were cheaper and paper was dearer than in other countries; in the second period, rags were dearer and paper cheaper. In 1830, her coal mines yielded 8,200,000 *tonnes;* in 1854, the amount had increased to 46,000,000. The product of her bar iron was 76,000 tuns; in 1850, 200,000 tuns, and of pig iron, 600,000 tuns. The present consumption of the Zoll Verein, or Customs Union, is estimated at 50 pounds per head per annum, an amount exceeded by few countries in the world.

Russia affords another example of the benefits of the domestic policy. During the protracted wars, the continental blockade, and the restrictive measures of foreign nations, she was obliged to work up her own raw materials. After the restoration of the general peace of Europe, she returned to her free trade policy. But the products of her agriculture and of her forests having been excluded from foreign markets, her imports exceeded her exports; and finding the balance of trade against her to be a different thing from what it had been represented to be by her own statesmen, as well as those of other countries, she adopted the protective policy. Capital, talent and labor came in from abroad, and home manufactures were established. The production of wool rapidly increased. Commerce also increased. Commercial revulsions came to an end; and Russia is now advancing in wealth and power.

Russia consumed of foreign merchandise, during the free trade from 1814 to 1824, an average of $32,000,000 annually. Under her protective system, her power to consume increased, until it reached $75,000,000.

Although the protective systems of these countries have in view the same general object, and have been attended with similar results, there is one peculiar feature in the policy of Great Britain, which distinguishes it from that of the other countries. Her restrictive measures for regulating trade with her American colonies, have been noticed. [Chap. I.] Their object is most explicitly declared in the following paragraph from a British work—Gee on Trade—published in 1750:

"Manufactures in our American colonies should be discouraged, prohibited." * * "We ought always to keep a

watchful eye over our colonies, *to restrain them from setting up any of the manufactures which are carried on in Great Britain;* and any such attempts should be crushed in the beginning." * * "Our colonies are much in the same state as Ireland was in, when they began the woolen manufacture, *and as their numbers increase, will fall upon manufactures for clothing themselves, if due care be not taken to find employment for them* in raising such productions as may enable them to furnish themselves with all the necessaries from us." * * "As they will have the providing rough materials to themselves, so shall we have the manufacturing of them. If encouragement be given for raising hemp, flax, &c., doubtless they will soon begin to manufacture, *if not prevented.* Therefore, *to stop the progress of any such manufacture,* it is proposed that no weaver have liberty to set up any looms, without first registering at an office kept for that purpose." * * "That all slitting mills, and engines for drawing wire or weaving stockings, *be put down.*" * * "*That all negroes be prohibited from weaving either linen or woolen, or spinning or combing of wool, or working at any manufacture of iron,* further than making it into pig or bar iron. That they also be *prohibited* from manufacturing *hats, stockings, or leather of any kind.* This limitation will not abridge the planters of any liberty they now enjoy—on the contrary, it will turn their industry to promoting and raising those rough materials." * * "If we examine into the circumstances of the inhabitants of our plantations, and our own, it will appear that *not one-fourth of their product redounds to their own profit, for, out of all that comes here, they only carry back clothing and other accommodations for their families,* all of which is of the merchandise and manufacture of this kingdom." * * "All these advantages we receive by the plantations, *besides the mortgages on the planters' estates, and the high interest they pay us, which is very considerable.*"

We here see the object to make the colonists subservient to the interests of the merchants and transporters of the parent country; to prevent competition, in the colonies, with the manufacturers of England, and to compel the colonists to sell to them their raw materials, and to receive in exchange the finished commodities. And so far as she has found it practicable, she has practiced the same system in her trade with other countries. Her governing principle has been to keep down competition with her in the purchase of raw materials and in the manufacture of them, at whatever sacrifice. One of the means by which she has so long kept possession

of foreign markets, is disclosed by a public document published, a few years ago, by order of the House of Commons, which contains the following :

"The laboring classes generally, in the manufacturing districts of this country, and especially in the iron and coal districts, are very little aware of the extent to which they are often indebted for their being employed at all, to the immense *losses* which their employers voluntarily incur in bad times, in order *to destroy foreign competition, and to gain and keep possession of foreign markets.* Authentic instances are well known of employers having in such times carried on their works at a loss amounting in the aggregate to three or four hundred thousand pounds in course of three or four years. If the efforts of those who encourage the combinations to restrict the amount of labor and to produce strikes, were to be successful for any length of time, the great accumulations of capital could no longer be made *which enable a few of our most wealthy capitalists to overwhelm all foreign competition in times of great depression,* and thus to clear the way for the *whole trade* to step in when prices revive, and to carry on a great business before *foreign* capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success. *The large capitals of this country are the great instruments of warfare against the competing capital of foreign countries,* and are *the most essential* instruments now remaining by which our manufacturing supremacy can be maintained ; the other elements—cheap labor, abundance of raw materials, means of communication, and skilled labor—being rapidly in process of being equalized."

No wonder that the designs of Great Britain, so early and so explicitly avowed, to control the industry of other nations, and the adoption of a commercial policy in accordance with this avowal, should provoke retaliation. A far greater cause of wonder is, that the nations did not sooner attempt to extricate themselves from the commercial thralldom into which they had been brought by her policy. Nor is it less strange, that there are in this country those whose notions of free trade lead them to oppose every attempt, on the part of the Government, to protect our citizens against the mischievous effects of this foreign restrictive prohibitory system—a system designed to *prohibit* the manufacture of our own clothing and other fabrics, and to restrict our industry to the cultivation of the soil, the products of which find no sale in her markets, or a very limited one, at prices not remunerative to the producers.

The protective system of Great Britain, though often referred to for the purpose of illustrating the utility of protection to domestic industry, is not in every respect a judicious one. Its leading principle and aim is the monopoly of the foreign trade. To secure this, she is obliged to keep down the wages of her laborers, and the prices of the raw material of her manufactures. But she begins to find herself unable to perpetuate the commercial supremacy she has so long enjoyed. France, Germany, Russia, as we have shown, and we might have added Belgium, Denmark, and other nations of Europe, having become manufacturers for themselves, and competitors in the purchase of raw materials, her foreign commerce must decline. As other nations have advanced in manufactures, she has been compelled to modify her policy. Her navigation acts, which were designed to prevent competition in the purchase and transport of the rude products of the earth, have yielded to the resistance of the United States, Prussia, and other countries; and competition in the purchase of wool and cotton, has compelled her to repeal her duties on these articles.

The policy of France, as has been observed, has respect, primarily, to *domestic* commerce, which can not be so easily affected by changes in the condition or commercial regulations of other nations. While Great Britain is making every effort to maintain or to extend her foreign trade, France is endeavoring to increase the production of the raw materials, silk, wool, and food to feed her own population. Her lands, instead of diminishing in fertility, as is the case in countries where the people are principally engaged in cultivating the soil, are constantly increasing in productiveness. To enable her, as far as possible, to supply her own population with food, the powers of the mind have been employed in devising improvements in agriculture; and the result is, that the quantity of food produced has increased much more rapidly than her population, while her manufacturing interest has been advancing with still greater rapidity.

One of the beneficent results of the protection of domestic industry, and an active domestic commerce, is an adequate supply of the precious metals. These generally move *from* those countries where the people are chiefly engaged in exhausting the soil, and the prices of land and its raw products are low, *to* those countries where there is the greatest diversity of employments, and the greatest demand for labor, and where, consequently, land and its products and the wages of

labor are high. Where articles essential to the support and comforts of life are produced in the greatest variety; in other words, where the greatest number of the wants of mankind can be supplied, thither does the current of money naturally tend. We find this power to attract the precious metals in those foreign countries whose policy we have just described; and we have seen it also in our own country in every period of protection. On the other hand, this power is wanting in Ireland, in Portugal, in Turkey, in the Indies, in Brazil, and other South American States, and has been in the United States in times when, for the want of protection to our industry, the foreign trade has obtained the mastery over domestic commerce, and land and labor have declined in value; and when our people have consumed foreign merchandise to the extent of hundreds of millions of dollars beyond the value of their exports of the rude products of the soil.

We see, too, that those countries, in which a judicious system exists, avoid those unfavorable balances of trade which so seriously affect the interests of nations. It may be proper here to notice the opinion of those who maintain that the "balance of trade," so called, or the excess of imports over exports, argues no unfavorable state of trade, and is nothing which it is desirable to prevent; on the contrary, that a nation's importing more than it exports, is rather evidence of a profitable commerce. Such was once the opinion of Mr. Webster, who, in reply to Mr. Clay on the tariff of 1824, said, that "the excess of imports over exports usually shows the gains, not the losses of trade; or, in a country that not only buys and sells goods, but employs ships in carrying goods also, it shows the profits of commerce and the earnings of navigation."

With respect to the exportation of specie, he said: "Gentlemen impute the loss of market at home to a want of money, and this want of money to the exportation of the precious metals. When the market is overstocked with them, as it often is, their exportation becomes as proper and as useful as that of other commodities under similar circumstances. The honorable member from Pennsylvania has represented the country as full of everything but money. This I take to be a mistake. The agricultural products so abundant in Pennsylvania, will not, he says, sell for money; but they will sell for money as quick as for any other article which happens to be in demand. They will sell for money, for ex-

ample, as easily as for coffee or for tea, at the prices which properly belong to those articles. The mistake lies in imputing that to the want of money, which arises from want of demand. Men do not buy wheat because they have money, but because they want wheat."

It is no doubt true, that a merchant who should exchange his outward cargo for one which should exceed in value the former with the cost of the voyage, would be profited by that particular operation. But suppose that, from a want of a sufficient quantity of goods to export, or from the unwillingness of the foreign trader to receive them, the merchant should be compelled to pay, or promise to pay, cash for the whole or a part of his purchases; and that, from the want of prompt payment on the part of his country customers, he should be obliged to increase his indebtedness at every purchase; how long would he be able to continue his business? But it may be said that the difficulty might be avoided by the general adoption of the cash system: no debts would then be contracted. This, however, would only be the changing of one difficulty for another. The surplus products of our soil having no cash market either at home or abroad, the means of purchasing would soon be exhausted; and the credit system must again be adopted, or the wants of the people must remain unsupplied; and indebtedness at home and abroad would increase, until the country should have become ripe for another revulsion!

But admit that money, as Mr. Webster says, may be superabundant. Then let the excess go abroad, or withersoever it may be sent to advantage. But is there no danger of the occurrence of the greater evil—an extreme scarcity? If our annual imports should amount to 50 millions of dollars more than our exports, we should soon reach a condition in which it would be impossible to continue such importation. The time of payment will come. The importer presses his customers to enable him to pay his foreign creditors; and specie flows abroad until not enough remains to conduct exchanges at home. Is it probable that "wheat will now sell for money as easily as for tea and coffee *at the prices which properly belong to them?*" There being no demand for wheat either at home or abroad, it will bear a merely nominal price, whereas the prices "which properly belong" to tea and coffee will be little less than the prices which they were sold for when the price of wheat was 50 to 100 per cent. higher than at present. There being no foreign demand for our large-

surplus of wheat, the price of that article must suffer a very material depression, whereas the prices of tea and coffee will be but slightly affected by our diminished ability to buy them, there being an undiminished demand for them in all other countries. But if we do not mistake Mr. Webster, and if his theory is correct, the prices of wheat and tea and coffee must continue to bear to each other the same proportion.

One effect of a prosperous domestic commerce, in which there is a rapid circulation, and in which dependence on the trader is diminished, is the increase of the value of labor and land, and the prices of the products of agriculture. Nor is it a valid objection to a protective system which produces this effect, that the price of food is enhanced to the consumer. The increase of price is more than compensated by the increased value of labor. The history of our own country, as well as that of others, furnishes examples showing that in times when the prices of food have been lowest, the people have suffered most from the want of it. When the prices of the products of the farmer rise, there is a corresponding rise not only in farm wages, but in the price of labor in all other pursuits. On this subject we quote again from Mr. Carey, to whom we are indebted for several important facts contained in this Chapter. After referring to instances furnished by England and France at certain periods within the latter half of the last century, in proof of this theory, he says:

"As it was in England, and as it is now in France, so would it be among ourselves. The work of making a market for the food that is now exported, would make a demand for muscular and mental force—enabling each and every man to sell his services, and to purchase those of the people around him. Labor being in demand, its price would rise; and the more rapid the rise, the more it would be economized; the greater would be the power of accumulation; the more abundant would become the machinery required for enabling him to call the forces of nature to his aid; the larger would be the proportion of the mental and physical force of the community given to developing the treasures of the earth; and the larger would be the reward of labor in food and clothing. Commerce would then grow rapidly, but the power of the foreign trader would then as much decline—precisely as we see to have been the case in both France and England, at the periods above referred to."

In conclusion, we commend the subject of the protection of domestic industry to candid and patient investigation. We

firmly believe that the financial revulsion of 1857 was the natural consequence of the present non-protecting policy; and that a complete recovery from its effects is to be expected only from a return to the system abandoned in 1846. To that belief, this compilation owes its appearance. We have endeavored to present faithfully and truly the nature and practical working of both systems—protective and free trade—in this country and in other countries; and we trust that the opinions of our most eminent statesmen, here collected from the debates in our national Legislature, from Executive messages, and other public documents, as well as from their unofficial writings and speeches, will be found of some service in guiding the sincere inquirer to right conclusions on this much controverted question.

The essential principles of this branch of political economy are few and plain. We see them constantly illustrated by the conduct of individuals in the industrial concerns of life; and they can be comprehended by those who are able to appreciate the advantages of residing in the vicinity of a town where are carried on the various branches of productive industry. The farmer will readily assent to the doctrine of Washington, that a home market is preferable to a foreign one, because "more certain, and less liable to be interrupted." He will believe, with Hamilton, that a diversity of employments, or the multiplying of the objects of labor, increases the productive power of a nation; with Jefferson, that the manufacturer should be planted by the side of the farmer; with Jackson, that when there is a large, unsaleable surplus of agricultural products, a greater proportion of the population should be employed in manufacturing and mechanical labor; and with Buchanan, that these "independent States, enjoying a thousand advantages, engaged in a free trade with each other, is the FREE TRADE we want." He will see, in all this, the elements of a profitable commerce, in which exchanges are easily and quickly made, and the ruinous expenses of transportation to and from a transatlantic market are saved. May the time be hastened when such a commerce shall again dispense its blessings to the American people!

# APPENDIX.

## BRITISH CORN LAWS.

THE "sliding scale" of duties established by the Corn Laws of Great Britain was alluded to on page 337. These laws were long the subject of interest in this country from their supposed restrictive effect upon the importation of bread-stuffs into Great Britain from foreign countries. These laws, which had been of long standing, and had been several times modified, were repealed in 1846. The following Table shows the sliding scale of duties upon wheat and flour, as it stood in 1842:

| Price per quarter of 8 bushels. | Price per bushel. | Duties pr. qr. | Duties per bu. | Duty per bbl. flour. |
|---|---|---|---|---|
| Under 51s | $1 53 | 20s | 60cts. | $2 89 |
| 51 to 52s | 1 56 | 19s | 57 | 2 74 |
| 52 to 55s | 1 65 | 18s | 54 | 2 60 |
| 55 to 56s | 1 68 | 17s | 51 | 2 45 |
| 56 to 57s | 1 71 | 16s | 48 | 2 31 |
| 57 to 58s | 1 74 | 15s | 45 | 2 17 |
| 58 to 59s | 1 77 | 14s | 42 | 2 03 |
| 59 to 60s | 1 80 | 13s | 39 | 1 88 |
| 60 to 61s | 1 83 | 12s | 36 | 1 73 |
| 61 to 62s | 1 86 | 11s | 33 | 1 59 |
| 62 to 63s | 1 89 | 10s | 30 | 1 45 |
| 63 to 64s | 1 92 | 9s | 27 | 1 31 |
| 64 to 65s | 1 95 | 8s | 24 | 1 16 |
| 65 to 66s | 1 98 | 7s | 21 | 1 01 |
| 66 to 69s | 2 07 | 6s | 18 | 86 |
| 69 to 70s | 2 10 | 5s | 15 | 72 |
| 70 to 71s | 2 18 | 4s | 12 | 57 |
| 71 to 72s | 2 16 | 3s | 9 | 43 |
| 72 to 73s | 2 19 | 2s | 6 | 28 |
| 73 or above | 0 00 | 1s | 3 | 14 |

The average prices in England of wheat per quarter, were, in 1830, 64s. 3d.; in 1831, 66s. 4d.; in 1832, 58s. 8d.; in 1833, 52s. 11d.; in 1834, 46s. 2d.; in 1835, 39s. 4d.; in 1836, 48s. 6d.; in 1837, 55s. 10d.; in 1838, 64s. 7d.; in 1839, 70s. 8d.; in 1840, 66s. 4d.; in 1841, 64s. 5d.

The peculiar feature of the sliding scale is, that as the price of wheat [technically called *corn*] rises, the duty falls; and when the price falls, the duty rises: so that in times of extreme scarcity, when the people are near a state of starvation, the duty is merely nominal.

The average price of wheat per quarter for the twelve years from 1830 to 1841 inclusive, was about 58s.; or $1 77 per bushel, on which the duty was 42 cents; and on flour, $2 08 per barrel. The average price of freight from our principal ports was about 20 cents a bushel for wheat. The freight and duty, 62 cents, deducted from the price in England, $1 77, leave $1 15, the price at which wheat must be bought in New York to bear transporting to the English market without profit.

*and* 1846. ☞ *The duties imposed by all these acts, except the last, were all specific duties, except those marked* ad val. *letters p. c.* [*per cent.*] *By the act of* 1846 ALL *the duties are ad valorem, though not thus distinguished. In* 1857, *an act was passed, reducing the duties about* 20 *or* 25 *per cent.*

| Names of Articles. | | Duties by the several Acts of | | | | | |
|---|---|---|---|---|---|---|---|
| | | 1816 | 1824 | 1828 | 1832 | 1842 | 1846 |
| Flannels, bockings, and baizes | sq yd | 25 p c | 25 p c | 14 | 16 | 14 | 20 |
| Carpeting, Brussels, &c., | " | 25 p c | 50 | 70 | 63 | 55 | 30 |
| Carpeting, Venetian, &c., | " | 25 p c | 25 | 40 | 35 | 30 | 30 |
| Carpeting, floor-cloth, patent, | " | 30 p c | 30 p c | 50 | 43 | 35 | 30 |
| Oil-cloth furniture, | " | 15 p c | 30 p c | 25 | 12½ | 10 | 30 |
| Cotton bagging, | " | 20 p c | 3¾ | 5 | 3½ | 4 | 20 |
| Vinegar, | gallon | 15 p c | 8 | 8 | 8 | 8 | |
| Beer in casks, | " | 10 | 15 | 15 | 15 | 15 | 30 |
| Beer in bottles, | " | 15 | 20 | 20 | 20 | 20 | 30 |
| Oil, fish, &c., | " | | | | | 20 | free. |
| Oil, olive, | " | 25 | 25 | 25 | 25 | 20 | 30 |
| Oil, castor, | " | 15 | 40 | 40 | 40 | 40 | 20 |
| Oil, linseed, | " | 15 | 25 | 25 | 25 | 25 | 20 |
| Oil, rapeseed, | " | 15 | 25 | 25 | 25 | 25 | 20 |
| Sugar, brown, | lb. | 3 | 3 | 3 | 2½ | 2½ | 30 |
| Sugar, white-clayed, | " | 4 | 4 | 4 | 3½ | 4½ | 30 |
| Sugar, loaf, | " | 12 | 12 | 12 | 12 | 6 | 30 |
| Sugar, candy, | " | 12 | 12 | 12 | 12 | 4 | 30 |
| Sugar, lump and other refined, | " | 10 | 10 | 10 | 10 | 6 | 30 |
| Sugar, syrup, | " | 15 p c | 15 p c | 15 p c | 2½ | 5 | 30 |
| Chocolate, | " | 3 | 4 | 4 | 4 | 4 | 20 |
| Cheese, | " | 9 | 9 | 9 | 9 | 9 | 30 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Tallow candles, | lb. | 3 | 5 | 5 | 5 | 4 | 20 |
| Lard, | " | 15 p c | 3 | 3 | 3 | 3 | 20 |
| Beef and Pork, | " | 15 p c | 2 | 2 | 2 | 2 | 20 |
| Bacon, | " | 15 p c | 3 | 3 | 3 | 3 | 20 |
| Butter, | " | 15 p c | 5 | 5 | 5 | 5 | 20 |
| Saltpetre, refined, | " | 7½ | 3 | 3 | 3 | 2 | 5 |
| Oil of Vitriol, | " | 7½ | 3 | 3 | 3 | 1 | 10 |
| Dry Ochre, | " | 1 | 1 | 1 | 1 | 1 | 30 |
| Ochre in Oil, | " | 1½ | 1½ | 1½ | 1½ | 1½ | 30 |
| Red and White Lead, | " | 3 | 4 | 5 | 5 | 4 | 20 |
| Whiting, | " | 1 | 1 | 1 | 1 | 1½ | 20 |
| Litharge, | " | 15 p c | 15 p c | 5 | 5 | 4 | 20 |
| Sugar of Lead, | " | 15 p c | 15 p c | 5 | 5 | 4 | 20 |
| Lead, pig, &c., | " | 1 | 2 | 3 | 3 | 3 | 20 |
| Lead Pipes, | " | 20 p c | 25 p c | 5 | 5 | 4 | 20 |
| Lead, old scrap, | " | 15 p c | 15 p c | 15 p c | 2 | 1½ | 20 |
| Cordage, tarred, | " | 3 | 4 | 4 | 4 | 5 | 25 |
| Cordage, untarred, | " | 4 | 5 | 5 | 5 | 4½ | 25 |
| Twine, Packthread, &c., | " | 4 | 5 | 5 | 5 | 6 | 30 |
| Copper Rods, Bolts, Nails, and Spikes, | " | 4 | 4 | 4 | 4 | 4 | 20 |
| Wire, iron and steel, not above No. 14, | " | | | 6 | 5 | 5 | 30 |
| Wire, iron and steel, above No. 14, | " | | | 10 | 9 | 8 to 11 | 30 |
| Iron, Nails, | " | 3 | 5 | 5 | 5 | 3 | 30 |
| Iron Cables, and Chains, and Parts, | " | 20 p c | 3 | 3 | 3 | 2½ | 30 |
| Iron, Anvils, | " | 20 p c | 2 | 2 | 2 | 2½ | 30 |
| Iron, blacksmiths' hammers, &c., | " | 20 p c | 2½ | 2½ | 2½ | 2½ | 30 |
| Iron Castings, Vessels, &c., | " | 20 p c | 1½ | 1½ | 1½ | 1½ | 30 |
| Iron, nail or spike rods, | " | 20 p c | 3 | 3½ | 3 | 2½ | 30 |
| Iron, sheet or hoop, | " | 250 per 112 lbs. | 3 | 3½ | 3 | 2½ | 30 |
| Iron, band, &c., | " | 20 p c | 3 | 3½ | 3 | 2½ | 30 |
| Iron, in Pigs, | cwt. | 50 | 62½ | 50 | 50 | 45 | 30 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Iron, bar, rolled, | cwt. | 150 | 150 | 185 | 150 | 125 | 30 |
| Iron, bar, hammered, | " | 45 | 90 | 112 | 90 | 85 | 30 |
| Hemp, | " | 150 | 175 | 300 | 200 | 200 | 30 |
| Wheat Flour, | " | 15 p c | 50 | 50 | 50 | 70 | 20 |
| Salt, | bushel. | 20 | 20 | 20 | 10 | 8 | 20 |
| Coal, | " | 5 | 6 | 6 | 6 | $1 75 p. ton | 30 |
| Wheat, | " | 15 p c | 25 | 25 | 25 | 25 | 20 |
| Oats, | " | 15 p c | 10 | 10 | 10 | 10 | 20 |
| Potatoes, | " | 15 p c | 10 | 10 | 10 | 10 | 30 |
| Paper, folio and quarto post, | lb. | 30 p c | 20 | 20 | 20 | 17 | 30 |
| Paper, foolscap, &c., | " | 30 p c | 17 | 17 | 17 | 15 | 30 |
| Paper, printing, copperplate, | " | 30 p c | 10 | 10 | 10 | 10½ | 30 |
| Books, bound, | " | | 30 | 30 | 30 | 30 | 30 |
| Books, unbound, | " | | 26 | 26 | 26 | 20 | 10 to 20 |
| Demijohns, | No. | 20 p c | 25 | 25 | 25 | 15 to 20 | 10 to 20 |
| Glass Bottles, to 1 quart, | gross | 144 | 200 | 200 | 200 | 300 | 30 |
| Glass Bottles, over 1 quart, | " | 20 p c | 250 | 250 | 225 | 400 | 30 |
| Window Glass, not over 8 by 10, | per 100, sq ft | 250 | 300 | 300 | 300 | 250 | 20 |
| Window Glass, over 8 by 10, and not over 10 by 12, | " | 275 | 350 | 350 | 350 | 250 | 20 |
| Window Glass, over 10 by 12 | " | 275 | 4 to 500 | 4 to 500 | 400 | 600 | 20 |
| Fish, dried or smoked, | quintal | 100 | 100 | 100 | 100 | 100 | 20 |
| Fish, Salmon, | bbl. | 200 | 200 | 200 | 200 | 200 | 20 |
| Fish, Mackerel, | " | 150 | 150 | 150 | 150 | 150 | 20 |
| Fish, all other, | " | 100 | 100 | 100 | 100 | 100 | 20 |
| Shoes and Slippers, silk, | pair | 30 | 30 | 30 | 30 | 30 | 30 |
| Shoes, prunella, | " | 25 | 25 | 25 | 25 | 25 | 30 |
| Shoes, leather, &c., | " | 25 | 25 | 25 | 25 | 30 | 30 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Shoes, children's, | pair | 15 | 15 | 15 | 15 | 15 | 30 |
| Boots and Bootees, | " | 150 | 150 | 150 | 150 | 120 | 30 |
| *Wool, over 10 cents, | lb. | | 30 p c | | | | |
| Wool, 10 cents and under, | " | | 15 p c | | | | |
| Wool, over 8 cents, | " | | | 50 p c & 4 cts | 40 p c & 4 cts | 30 p c & 3 cents | 30 |
| Wool, 8 cents and under, | " | | | do. | free. | 5 p c | free. |
| Woolen Yarn, | " | 25 | 33⅓ | | 50 p c & 4 cts | 30 p c & 3 cts. | 30 |
| Merino Shawls, | pr ct. | 25 | | | 50 | 40 | 30 |
| †Cloths and Cassimeres, | " | 25 | | | 50 | 40 | 30 |
| Other Woolen Manufactures | " | 25 | | | 50 | 30 | 30 |
| Clothes, ready made, | " | 30 | 30 | 50 | 50 | 50 | 30 |
| Glass, cut, | lb. | 20 p c | 30 p c & 3 cts | 30 p c & 3 cts | 30 p c & 3 cts | 25 to 42 | 40 |
| Glass, plain and other, | " | | | | 20 p c & 2 cts | 10 | 30 |

* Under the tariff act of 1824, the duty was 20 per cent. for the first year; 25 per cent. for the second year; and thereafter 30 per cent., as in the above table. The act of 1828 made no distinction between fine and coarse wool. In addition to the *specific* duty of four cents, which was to be charged from the beginning, an *ad valorem* duty of 40 per cent. was charged for the first year; 45 for the second year; thereafter 50 per cent., as in the table above. Under the act of 1832, wool costing 8 cents and under, was *free*. The duty as given in the above table on wool under the act of 1842, was on wool costing over 7 cents a pound. Coarse wool costing 7 cents and under was charged 5 per cent.

† By the act of 1824, cloths costing 33⅓ cents or less the square yard, were to be valued at 33⅓ cents, and charged 25 per cent.; costing over 33⅓ cents, 30 per cent. In 1828, duties were charged on the *minimum* principle. [Explained p. 69.] The first minimum was 33⅓ cents, the duty 14 cents. The other minima were 50c., $1, $2 50, and $4; the duty 40 per cent. for one year, then 45 p. c. Costing over $4, duty 45 per cent. for one year, then 50 per cent.

Cotton cloth is not enumerated in the above list. In 1816, the minimum price was fixed at 25 cents, the duty 25 per cent. In 1824, minimum 30 cents, duty 20 per cent. In 1828, minimum 35 cents. In 1832, minimum 30 cents, duty 25 per cent. In 1842, minimum 20 cents, duty 30 per cent. In 1846, duty 25 per cent.

# IMPORTS, EXPORTS, AND REVENUE.

**Imports** of foreign merchandise into the United States: the whole exports of foreign merchandise and domestic products; and the domestic products singly: also the net revenue from duties on imports. Deducting the domestic exports from the whole exports, the remainder will show the amount of foreign goods exported. Specie and bullion are included in the imports and exports.

| Year. | Imports. | Exports. | Dom. Exports. | Revenue. |
|---|---|---|---|---|
| 1790 | $23,000,000 | $20,205,156 | $19,660,000 } | $4,399,473 |
| 1791 | 29,200,000 | 19,012,041 | 18,500,000 } | |
| 1792 | 31,500,000 | 20,753,098 | 19,000,000 | 3,443,070 |
| 1793 | 31,100,000 | 26,109,572 | 24,000,000 | 4,255,306 |
| 1794 | 31,600,000 | 33,026,233 | 26,500,000 | 4,801,065 |
| 1795 | 69,756,268 | 47,989,472 | 39,500,000 | 5,588,461 |
| 1796 | 81,436,164 | 67,064,079 | 40,764,097 | 6,567,987 |
| 1797 | 75,379,406 | 56,850,206 | 29,850,206 | 7,549,649 |
| 1798 | 68,551,700 | 61,527,097 | 28,527,097 | 7,106,061 |
| 1799 | 79,069,148 | 78,665,522 | 33,142,522 | 6,610,449 |
| 1800 | 91,252,768 | 70,971,780 | 31,840,903 | 8,080,932 |
| 1801 | 111,363,511 | 94,115,925 | 47,473,204 | 10,750,779 |
| 1802 | 76,333,333 | 72,483,160 | 36,708,189 | 12,438,235 |
| 1803 | 64,666,666 | 55,800,033 | 42,205,961 | 10,479,417 |
| 1804 | 85,000,000 | 77,699,074 | 41,467,477 | 11,098,565 |
| 1805 | 120,600,000 | 95,566,021 | 42,387,002 | 12,936,487 |
| 1806 | 129,410,000 | 101.536,963 | 41,253,727 | 14,667,698 |
| 1807 | 138,500,000 | 108,843,150 | 48,699,592 | 15,845,521 |
| 1808 | 56,990,000 | 22,430,960 | 9,433,546 | 16,363,550 |
| 1809 | 59,400,000 | 52,203,233 | 31,405,702 | 7,296,020 |
| 1810 | 85,400,000 | 66,757,970 | 42,366,675 | 8,583,309 |
| 1811 | 53,400,000 | 61,316,833 | 45,294,043 | 13,313,222 |
| 1812 | 77,030,000 | 38,527,236 | 30,033,109 | 8,958,777 |
| 1813 | 22,005,000 | 25,008,132 | 27,855,997 | 13,224,623 |
| 1814 | 12,965,000 | 6,782,272 | 6,927,441 | 5,998,772 |
| 1815 | 113,041,274 | 45,974,403 | 52,557,753 | 7,282,942 |
| 1816 | 147,103,000 | 64,781,896 | 81,920,453 | 36,306,875 |
| 1817 | 99,250,000 | 68,313,500 | 82,671,569 | 26,283,348 |
| 1818 | 121,750,000 | 73,354,437 | 93,281,133 | 17,176,385 |
| 1819 | 87,125,000 | 70,142,521 | 50,976,838 | 20,283,609 |
| 1820 | 74,450,000 | 69,691,669 | 51,683,640 | 15,005,612 |
| 1821 | 62,585,724 | 64,974,328 | 43,671,894 | 13,004,447 |
| 1822 | 83,241,541 | 72,160,281 | 49,874,079 | 17,589,762 |
| 1923 | 77,579,267 | 74.699,030 | 47,155,408 | 19,088,433 |
| 1824 | 80,549,007 | 75,986,657 | 50,649,500 | 17,878,326 |
| 1825 | 96,340,075 | 99,535,388 | 66,944,745 | 20,098,713 |
| 1826 | 84,974,477 | 77,595,322 | 53,055,710 | 23,341,332 |
| 1827 | 79,484,068 | 82,324,827 | 58,921,691 | 19,712,283 |
| 1828 | 88,509,824 | 72,264,686 | 50,669,669 | 23,205.524 |
| 1829 | 74,492,527 | 72,358,671 | 55,700,193 | 22,681,965 |
| 1830 | 70,876,920 | 73,840,508 | 59,462.029 | 21,922,391 |
| 1831 | 103,191,124 | 81,310,583 | 61,277,027 | 24,224,442 |

| Year. | Imports. | Exports. | Dom. exports. | Revenue. |
|---|---|---|---|---|
| 1832 | 101,029,266 | 87,176,943 | 63,137,470 | 28,465,237 |
| 1833 | 108,118,311 | 90,140,433 | 70,317,698 | 29,032,509 |
| 1834 | 126.521,332 | 104,346,973 | 81,024,162 | 16,214,957 |
| 1835 | 149,895,742 | 121,693,677 | 101,189,082 | 19,391,311 |
| 1836 | 189,980,035 | 128,663.040 | 106,916,680 | 23,309,941 |
| 1837 | 140,989,217 | 117,419,376 | 95,564,414 | 11,169,290 |
| 1838 | 113,717,404 | 108,486,616 | 96,033.821 | 16,158,800 |
| 1839 | 162,092,132 | 121,028,416 | 103,533,891 | 23,137,925 |
| 1840 | 107,141,519 | 132,085,946 | 113,895,634 | 13,499,502 |
| 1841 | 127,946,477 | 121,851,803 | 106,382,722 | 14,487,217 |
| 1842 | 100,162,087 | 104,691,534 | 92,960,996 | 18,187,909 |
| 1843* | 64,763,799 | 84,346,480 | 77,793,783 | 5,916,355 |
| 1844 | 108,435,035 | 111,200,046 | 99,715,179 | 26,183,571 |
| 1845 | 117,254,564 | 114,646,606 | 99,299,776 | 27,528,113 |
| 1846 | 121,691,797 | 113,488,516 | 102,141,893 | 26,712,668 |
| 1847 | 146,545,638 | 158,648,622 | 150,627,464 | 23,747,865 |
| 1848 | 154,977,928 | 154,436,436 | 132,904,121 | 31,757,071 |
| 1849 | 147,857,439 | 145,755,820 | 132,666,955 | 28,346,739 |
| 1850 | 178,138,318 | 151,898,720 | 136,946,912 | 39,668,686 |
| 1851 | 216,224,932 | 218,388,011 | 196,689,718 | 49,017,568 |
| 1852 | 212,945,442 | 209,641,625 | 192.368,984 | 47,339,327 |
| 1853 | 267,978,647 | 230,452,250 | 213,417,697 | 58,931,865 |
| 1854 | 304,562,381 | 278,241,064 | 253,390,870 | 64,224,190 |
| 1855 | 261,468,520 | 275,156,846 | 246,708,553 | 53,025,794 |
| 1856 | 314,639,942 | 326,964,908 | 310.586,330 | 64,022,860 |
| 1857 | 360,890,141 | 362,960,682 | 338,985,065 | 63,875,903 |
| 1858 | 282,613,150 | 324,644,421 | 293,758,279 | 41,789,620 |
| 1859 | 338,768,130 | 356,789,462 | 335.894.385 | 49,565,824 |
| 1860 | 362,163,941 | 400,122,296 | 373,189,274 | 53,187,512 |
| 1861 | 334,350,453 | 248,505,454 | 228,699,486 | 39,582,126 |
| 1862 | 205,819,823 | 229,790,280 | 212,920,639 | 49,056,398 |
| 1863 | 262,287,587 | 331,809,459 | 305,850,149 | 69,059,642 |

* Prior to 1843, the fiscal year commenced the 1st day of October, and ended on the 30th of September of the year following. By the act of 1842, after that year, the fiscal year was to end on the 30th of June. This change gave to the year 1843 but *nine* months, which will account, in part, for the large apparent diminution of imports and exports for that year. The statistical Tables of Revenue differ from those of Imports and Exports by showing the Revenue from the commencement of the Government, by the *calendar* year, until the 31st of December, 1842, after which, by the fiscal year ending June 30th; so that the above table shows the revenue for only the *six* months, from the 1st of January to the 30th of June, 1843. Since that time, the tables show both the Imports and Exports, and the Revenue, for each fiscal year, ending the 30th of June. Statistical tables in other books give as the revenue for the six months of 1843, $7,046,846. A statement, however, with the official signature of the Register of the Treasury, gives the amount expressed in the table above.

## AGRICULTURAL PRODUCTS EXPORTED.

A Statement exhibiting the value of Cotton, Tobacco, Rice, and Provisions exported annually, and the price of cotton per pound.

| Year. | Cotton. | Cents. | Tobacco. | Rice. | Bread-stuffs & Provisions. |
|---|---|---|---|---|---|
| 1821 | $20,157,484 | 16.2 | $5,648,962 | $1,494,307 | $12,341,901 |
| 1822 | 24,035,058 | 16 6 | 6,222,838 | 1,553,482 | 13,886,856 |
| 1823 | 20,445,520 | 11.8 | 6,282,672 | 1,820,985 | 13,767,847 |
| 1824 | 21,947,401 | 15.4 | 4,655,566 | 1,882,982 | 15,059,484 |
| 1825 | 26,846,649 | 20.9 | 6,115,623 | 1,925,245 | 11,634,449 |
| 1826 | 25,025,214 | 12.2 | 5,347,208 | 1,917,445 | 11,303,496 |
| 1827 | 29,359,545 | 10 | 6,577,123 | 2,343.908 | 11,685,556 |
| 1828 | 22,487,229 | 10.7 | 5,269,960 | 2,620,696 | 11,461,144 |
| 1829 | 26,575,311 | 10 | 4,982,974 | 2,514,370 | 13,131,859 |
| 1830 | 29,674,983 | 9.9 | 5,586,365 | 1,986,824 | 12,075,430 |
| 1831 | 25,289,492 | 9.1 | 4,892,388 | 2,016,267 | 17,538,227 |
| 1832 | 31,724,682 | 9 8 | 5,999,769 | 2,152,631 | 12,424,703 |
| 1833 | 36,191,105 | 11.1 | 5,755,968 | 2,744,418 | 14,209,128 |
| 1834 | 49,448,402 | 12.8 | 6,595,306 | 2,122,272 | 11,524,024 |
| 1835 | 64,961,302 | 16.8 | 8,250,577 | 2,210,331 | 12,009,399 |
| 1836 | 71,284,925 | 16.8 | 10,058,640 | 2,548,750 | 10,614,130 |
| 1837 | 63,240,102 | 14.2 | 5,795,647 | 2,309,279 | 9,588,359 |
| 1838 | 61,566,311 | 10.3 | 7,392,029 | 1,721,819 | 9,636,650 |
| 1839 | 61,238,982 | 14 8 | 9,832,943 | 2,460,198 | 14,147,779 |
| 1840 | 63,870,307 | 8.5 | 9,883,957 | 1,942,076 | 19,067,535 |
| 1841 | 54,330,341 | 10.2 | 12,576,703 | 2,010,107 | 17,196,102 |
| 1842 | 47,593,464 | 8.1 | 9,540,755 | 1,907,387 | 16,902,876 |
| 1843 | 49,119,906 | 6.2 | 4,650,979 | 1,625,726 | 11,204,123 |
| 1844 | 54,063,501 | 8.1 | 8,397,255 | 2,182,468 | 17,970,135 |
| 1845 | 51,729,643 | 5.9 | 7,469,819 | 2.160,456 | 16,743,421 |
| 1846 | 42,767,341 | 7.8 | 8,478,270 | 2,564,991 | 27,701,921 |
| 1847 | 53,415,848 | 10.3 | 7,242,086 | 3,605,896 | 68,701,121 |
| 1848 | 61,998,294 | 7.6 | 7,551,122 | 2,331,824 | 37,472,751 |
| 1849 | 66,396,967 | 6.4 | 5,804,207 | 2,569,362 | 38,155.507 |
| 1850 | 71,984,616 | 11.3 | 9,951,023 | 2,631,557 | 26,051,373 |
| 1851 | 112,315,317 | 12.1 | 9,219,251 | 2,170,927 | 21,941.651 |
| 1852 | 87,965,732 | 8.5 | 10,031,283 | 2,470,029 | 25,857,027 |
| 1853 | 109,456,404 | 9.85 | 11,319,319 | 1,657,658 | 32,985,322 |
| 1854 | 93,596,220 | 9.47 | 10,016,046 | 2,634,127 | 65,941,323 |
| 1855 | 88,143,844 | 8.74 | 14,712,468 | 1,717,953 | 38,895,348 |
| 1856 | 128,382,351 | 9.49 | 12,221,843 | 2,390,233 | 77,187,301 |
| 1857 | 131,575,859 | 12.55 | 20,662,772 | 2,290,400 | 74,667,852 |
| 1858 | 131,396,661 | 11.7 | 17,009,767 | 1,870,578 | 50,683,285 |
| 1859 | 161,434,923 | 11.64 | 21,074,038 | 2,207,148 | 38,305,991 |

# PRICES OF FLOUR.

Annual export price of Flour at New York from 1800 to 1855; also the annual price in the city of New York.

| Year. | Export Price. | N. York Price. | Year. | Export Price. | N. York Price. |
|---|---|---|---|---|---|
| 1800 | $10 00 | $9 38 | 1828 | 5 50 | 5 50 |
| 1801 | 13 00 | 10 14 | 1829 | 5 00 | 6 54 |
| 1802 | 9 00 | 6 19 | 1830 | 7 25 | 5 03 |
| 1803 | 7 00 | 6 01 | 1831 | 5 62 | 5 84 |
| 1804 | 7 75 | 7 15 | 1832 | 5 87 | 5 87 |
| 1805 | 13 00 | 9 59 | 1833 | 5 50 | 5 70 |
| 1806 | 7 50 | 7 13 | 1834 | 5 50 | 5 07 |
| 1807 | 8 25 | 6 76 | 1835 | 6 00 | 6 00 |
| 1808 | 6 00 | 5 15 | 1836 | 7 50 | 7 78 |
| 1809 | 7 50 | 6 79 | 1837 | 10 25 | 9 69 |
| 1810 | 8 25 | 8 77 | 1838 | 9 50 | 8 02 |
| 1811 | 10 50 | 9 05 | 1839 | 6 75 | 7 40 |
| 1812 | 10 75 | 9 08 | 1840 | 5 37 | 5 17 |
| 1813 | 13 00 | 7 76 | 1841 | 5 20 | 5 39 |
| 1814 | 14 50 | 7 76 | 1842 | 6 00 | 5 67 |
| 1815 | 9 25 | 8 17 | 1843 | 4 50 | 5 07 |
| 1816 | 9 37 | 9 34 | 1844 | 4 75 | 4 61 |
| 1817 | 14 75 | 11 72 | 1845 | 4 51 | 5 00 |
| 1818 | 10 25 | 9 42 | 1846 | 5 18 | 5 19 |
| 1819 | 8 00 | 6 79 | 1847 | 5 95 | 6 80 |
| 1820 | 5 37 | 4 81 | 1848 | 6 22 | 5 71 |
| 1821 | 4 25 | 4 85 | 1849 | 5 35 | 4 26 |
| 1822 | 7 00 | 6 39 | 1850 | 5 00 | 4 36 |
| 1823 | 7 75 | 6 93 | 1851 | 4 77 | 4 19 |
| 1824 | 6 62 | 5 93 | 1852 | 4 24 | 4 26 |
| 1825 | 5 87 | 5 19 | 1853 | 5 60 | 5 51 |
| 1826 | 5 25 | 5 00 | 1854 | 7 88 | 8 02 |
| 1827 | 8 00 | 5 14 | 1855 | 10 16 | 9 62 |

From a statement of the number of barrels of Flour annually exported from the United States, down to the year 1841, it appears that the average annual export from 1791, (51 years,) is 899,494 barrels. The annual average for each 10 years to 1840, inclusive, is as follows:

| | | |
|---|---|---|
| For the first decade, ending with 1800, | 703,286 | barrels. |
| For the second, 1810, | 907,895 | do |
| For the third, 1820, | 1,012,615 | do |
| For the fourth, 1830, | 889,510 | do |
| For the fifth, 1840, | 960,910 | do |

It thus appears, that, for the first 50 years, there can hardly be said to have been an increase of the quantity of flour exported.

## REVENUE FROM THE SALES OF THE PUBLIC LANDS.

| Year. | Revenue. | Year. | Revenue. | Year. | Revenue. |
|---|---|---|---|---|---|
| 1796 | $4,836 | 1818 | $2,606,564 | 1840 | $3.292,265 |
| 1797 | 83,540 | 1819 | 3,274,422 | 1841 | 1,365.627 |
| 1798 | 11,963 | 1820 | 1,635,871 | 1842 | 1,335,791 |
| 1799 | | 1821 | 1,212,966 | 1843 | 897,81[illegible] |
| 1800 | 443 | 1822 | 1,803,581 | 1844 | 2,059,935 |
| 1801 | 167,726 | 1823 | 916,523 | 1845 | 2.077,022 |
| 1802 | 188,629 | 1824 | 984,418 | 1846 | 2,694,452 |
| 1803 | 165,675 | 1825 | 1,216,090 | 1847 | 2,498,355 |
| 1804 | 487,526 | 1826 | 1,393,785 | 1848 | 3,328,642 |
| 1805 | 540,193 | 1827 | 1,495,845 | 1849 | 1,689,959 |
| 1806 | 765,245 | 1828 | 1,018,308 | 1850 | 1,859,894 |
| 1807 | 466,163 | 1829 | 1,517,175 | 1851 | 2.352,305 |
| 1808 | 647,939 | 1830 | 2,329,356 | 1852 | 2,043,239 |
| 1809 | 442,252 | 1831 | 3,210,815 | 1853 | 1,667,084 |
| 1810 | 696,548 | 1832 | 2,683,381 | 1854 | 8,470,798 |
| 1811 | 1,040,237 | 1833 | 3,967,682 | 1855 | 11,497,049 |
| 1812 | 710,427 | 1834 | 4,857,600 | 1856 | 8,917,644 |
| 1813 | 835,655 | 1835 | 14,757,600 | 1857 | 3,829,486 |
| 1814 | 1,135,971 | 1836 | 24,877,179 | 1858 | 3,513,716 |
| 1815 | 1,287,959 | 1837 | 6,776,236 | 1859 | 1,734,667 |
| 1816 | 1,717,985 | 1838 | 3,081,839 | | |
| 1817 | 1,991,226 | 1839 | 7,076,447 | | |

## IMPORTS AND EXPORTS OF COIN AND BULLION.

| Year. | Imported. | Exported. | Year. | Imported. | Exported. |
|---|---|---|---|---|---|
| 1821 | $8,064,890 | $10,477,969 | 1842 | $4,087,016 | $4,813,539 |
| 1822 | 3,369,846 | 10,810,180 | 1843 | 22,390,559 | 1,520,791 |
| 1823 | 5,097,896 | 6,372,987 | 1844 | 5,830,429 | 5,454,214 |
| 1824 | 8,379,835 | 7,014,552 | 1845 | 4,070,242 | 8,606,495 |
| 1825 | 6,150,765 | 8,787,659 | 1846 | 3,777,732 | 3,905,268 |
| 1826 | 6,880,966 | 4,704,533 | 1847 | 24,121,289 | 1,907,024 |
| 1827 | 8,151,130 | 8,014,880 | 1848 | 6,360,224 | 15,841,616 |
| 1828 | 7,489,741 | 8,243,476 | 1849 | 6,651,240 | 5,404,648 |
| 1829 | 7,403,612 | 4,924,020 | 1850 | 4,628,792 | 7,522,994 |
| 1830 | 8,155,964 | 2,178,773 | 1851 | 5,453,592 | 29,472,752 |
| 1831 | 7,305,945 | 9,014,931 | 1852 | 5,505,044 | 42,674,135 |
| 1832 | 5,907,504 | 5,656,340 | 1853 | 4,201,382 | 27,486,875 |
| 1833 | 7,070,368 | 2,611,701 | 1854 | 6,958,184 | 41,436,456 |
| 1834 | 17,911,632 | 2,076,758 | 1855 | 3,659,812 | 56,247,343 |
| 1835 | 13,131,447 | 6,477,775 | 1856 | 4,207,632 | 45,745,485 |
| 1836 | 13,400,881 | 4,324,336 | 1857 | 12,461,799 | 69,136,922 |
| 1837 | 10,516,414 | 5,976,249 | 1858 | 19,274,496 | 52,633,147 |
| 1838 | 17,747,116 | 3,508,046 | 1859 | 6,369,703 | 63,887,411 |
| 1839 | 5,595,176 | 8,776,743 | 1860 | 8,550,135 | 66,546,239 |
| 1840 | 8,882,813 | 8,417,014 | 1861 | 46,339,611 | 29,791,080 |
| 1841 | 4,988,633 | 10,034,332 | 1862 | 16,415,052 | 36,886,956 |

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